

OVERSEAS NEWS

How to visit Peking on Hong Kong

BY OUR FOREIGN STAFF

SIR GEOFFREY HOWE, the British Foreign Secretary, will visit Peking at the end of this month for talks with the Chinese leadership on the future of Hong Kong.

Foreign Minister Wu Xueqian and other Chinese leaders on "all aspects of Hong Kong's future as well as other international and bilateral issues."

pressing for a detailed agreement, in contrast with the Chinese preference for a broadly defined agreement in principle. There has been growing concern on the British side that without fresh momentum, time is running out for a number of disagreements on detailed matters to be settled ahead of the September deadline.

colony as giving China de facto control long before 1997. Mr Luce spent yesterday bringing members of Hong Kong's Executive and Legislative Council up to date with progress on the Sino-British talks, and gauging their reaction. He said on arrival in the colony that Britain was "fully aware" of the strains that were being created by political uncertainty.

Kuwait buys arms from Soviet Union

By Our Foreign Staff

KUWAIT has signed a \$327m (£242m) arms package with the Soviet Union, having been rebuffed by the U.S. in its efforts to buy Stinger surface-to-air anti-aircraft missiles.

UK-Nigerian relations face more diplomatic expulsions

BY QUENTIN PEEL

BRITAIN and Nigeria remained at loggerheads last night, with the prospect of further diplomatic blood-letting in the wake of the expulsion of two Nigerian diplomats from London, followed by an immediate order for two British diplomats to leave Lagos.

reduced Anglo-Nigerian relations to their lowest point for almost a decade. In London, Sir Geoffrey Howe, the Foreign Secretary, who ordered the first expulsions, condemned Nigeria's retaliation as "totally without justification."

High Commissioner to return, because of continuing uncertainty over his High Commission's involvement in the statement introduced a "new dimension" into the Dikko affair. The Foreign Minister, while insisting that Gen Hananiya would be returning to London, also promised to react promptly to any development.

Tougher Swedish defence policy sought

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

THE LEADERSHIP of Sweden's ruling Social Democratic Party is seeking to persuade the party to adopt a tough line on security and defence policy as the run-up begins for next year's general election.

Strategic importance of the Nordic region and the repeated violations of Swedish territorial waters by foreign submarines. The Swedish armed forces have shown themselves to be woefully unprepared for dealing with the submarine threat, and the Government has recognised that the standard of equipment and training in anti-submarine warfare must be drastically increased.

Mr Anders Thunborg, the Swedish Defence Minister, said that the country had to show that it could sustain a credible defence. We look at the setbacks in disarmament negotiations, the re-arming going on in our close vicinity and draw our conclusions.

reference in 1981 laid the main emphasis of security and defence policy on international questions such as support for liberation movements and the need for pursuing an active disarmament policy.

Trade tiffs at Asean-Pacific talks

BY CHRIS SHERWELL IN JAKARTA

DIFFERENCES OVER trade issues clouded the two days of ministerial talks which ended yesterday between the six countries of the Association of South East Asian Nations (Asean) and their main Western and Pacific partners.

Mr George Shultz, the U.S. Secretary of State, pointing out that the U.S. recovery had substantially helped Asean exports, he urged critics to "look in a mirror" at the high tariff levels of developing countries.

first real brick of a potential Pacific Bloc, but the U.S., Canada, Japan, Australia and New Zealand all joined Asean in rejecting any move to institutionalise such co-operation.

Trial of KOR dissidents opens in Warsaw

BY CHRISTOPHER BOBINSKI IN WARSAW

POTENTIALLY the most important political trial in Poland since the mid-1950s opened yesterday before a Warsaw military tribunal. But there are doubts that the case will be concluded.

POLAND yesterday signed an agreement with its commercial bank creditors to reschedule \$1.6bn of its foreign debt falling due between 1984 and 1987 for a period of 10 years, Peter Montagnon writes.

Under the agreement Poland will pay an interest margin of 1 1/2 per cent over Euromarket rates on the rescheduled debt. Commercial banks have also promised to provide Poland with about \$645m in new money between now and the end of 1985.

They saw no reason why the trial should not be continued then. But the Polish Politburo is due to meet again by then to discuss the issue while Monday was a skeleton staff. Of the 16 foreign banks operating in Greece, only the First National Bank of Chicago, and American Express, which have reportedly met worker demands, were not affected.

IRAQ has concluded a \$2bn contract to purchase 400 of these, much to Kuwait's envy. Despite the occasional Soviet deal however, Kuwait has no formal military pact. Kuwait is staunchly pro-western, and its armed forces are equipped with a mixture of French, British and U.S. aircraft, armour and artillery.

Argentina upset by Chile's exports to Falklands

BY MARTIN ANDERSEN IN BUENOS AIRES

ARGENTINA has issued a formal complaint to its western neighbour Chile for resuming its trade ties with British authorities on the Falkland Islands.

the Chilean Ambassador, was summoned to the Foreign Ministry in Buenos Aires on Thursday evening to hear of Argentine unhappiness over the resumption of trade with the disputed archipelago.

Brazil raises forecasts of foreign reserves

By Andrew Whitley in Rio de Janeiro

BRAZIL'S long trade performance has led to an upward revision in the Government's forecasts of its end of year foreign exchange reserves and current account deficit.

Petra Kelly and Greens close to breaking point

By Rupert Cornwell in Bonn

THE PLANS of the West German Greens to "rotatie" their MPs here every two years has brought relations between the environmentalist party and Petra Kelly, its co-founder and most celebrated member, close to breaking point.

The snag in relations between the historically rival Latin nations came at a time when negotiators for the two countries were reportedly nearing agreement on an accord to resolve a century-old border dispute over the Beagle Channel at the tip of the continent.

Foreign Ministry officials said the protest note delivered by Mrs Elsa Kelly, the Argentine Ministry Secretary, singled out the sale of \$108,000 worth of Chilean timber, coal, gas and oxygen tubes shipped from the southern Chilean port of Punta Arenas to the islands aboard the Danish ship Aes.

Mr Alfonso Celso Pastore, the central bank governor, said on Thursday that gross reserves should reach \$8bn (£4.6bn) against earlier estimates of \$4.5bn. The current account deficit is now expected to be down to \$8bn, from the previous figure of \$5.3bn.

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Nato chief in surprise visit to Greek premier

BY ANDRIANA IERODIACONOU

GEN BERNARD RODGERS, Nato Supreme Commander, arrived in Athens on a surprise visit yesterday, for private talks with Dr Andreas Papandreu, the Greek premier.

Mr Antonis Drososyannis, Assistant Defence Minister, said the Rodgers visit was not planned previously. Nato embassies in Athens said they had only had a few days warning of the general's arrival.

The visit's impromptu nature has fuelled speculation that it is linked to the Greek-U.S. quarrel over issues including the supply of used F-5 fighter aircraft by Norway to the Hellenic Air Force, and continuing strike action by Greek workers at the four U.S. military bases here.

Officials at the other foreign banks said giving in to worker demands would mean improving benefits such as maternity leave - increasing it from three to four weeks - and shortening the working week from 39 hours to 38 hours and 40 minutes. They said their main concern was an underlying effort by the militant Federation of Greek Bank Workers (OTOE) to bring foreign bank workers under its union umbrella.

Nuclear threat fails to rattle the teacups in Wellington

"THIS ELECTION is about government... That means it is about leadership... We know what we are doing because we have been doing it for a long time."

of Sir Robert Muldoon's National Party government, which has ruled since 1975, and its replacement by Labour, under Mr David Lange.

Michael Thompson-Noel in New Zealand examines the issues in the country's general election and wonders if Sir Robert Muldoon's National Party Government, in power since 1975 can survive the Labour Party challenge

Instead, Mr Lange has castigated the government for its "improvisations" for producing "arguably the poorest (economic) performance in the OECD" for high unemployment, and for National's "deliberate and calculated undermining of New Zealand's social cohesion and racial harmony."

stabilised. Britain joined the EEC, protectionism flourished in the northern hemisphere, and the price of oil shot up.

Sir Robert Muldoon, Prime Minister of New Zealand, "New Zealand has been deliberately set against New Zealand, young against old, rich against poor, unions against employers, race against race... Confrontation has debased our national life."

the IMF's view, current internal NZ deficits are so large (in 1983-84: NZ\$5bn, or 8.8 per cent of estimated gdp), that they threatened to destabilise the economy, either through high interest rates, (which are at present suppressed), or monetary expansion. A return to unregulated interest rates was urged.

As for foreign debt - the most controversial legacy of the Muldoon years - the IMF said further borrowing needed to be limited to "economically viable investments" rather than sustaining consumption.

Mr Lange claims the debt has since ballooned to NZ\$17bn. "It means that every single New Zealander is in hook to international financiers to the tune of NZ\$85,000," he says.

His promise if elected: a national economic conference of employers, unions, farmers, and government that will "devise a broad, New Zealand accord."

Whether Mr Lange and Labour can stem the pace of New Zealand's decline is at this stage imponderable. Promisingly, he accepts that New Zealanders have been living beyond their means.

"Nuclear Disaster. A report to the Commission for the Future of Wellington, March 1982. It says much for New Zealanders' complacency that even the prospect of nuclear apocalypse fails to rattle the teacups in Wellington or Wairarapa, Dunedin or Rangitikei.

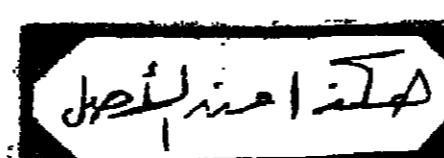
Hence, the monumental inward-lookingness of a study group on nuclear disaster which, in 1982, concluded that the most serious impact on New Zealand resulting from a northern hemisphere nuclear war would stem not from fallout but from "loss of trading partners."

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At long last Britain's most controversial print boss has bought his way into the Fleet Street jungle Sue Cameron reports
Maxwell's jubilation mirrored by fears among printers and journalists

THE USUALLY dour Sir Alex Jarratt, chairman of Reed International, sat in his office overlooking the Ritz and permitted himself a small, satisfied smile. He reckoned Reed's sale of Mirror Group Newspapers to Mr Robert Maxwell's Pergamon Press had netted shareholders £30m more than would have been raised from a planned public flotation.



Robert Maxwell: An ambition fulfilled

A press baron with a record of beating print unions

MR ROBERT MAXWELL stormed out of the negotiating room and bellowed for his coat (which he had not brought with him) and for his chauffeur (who was asleep in the car), writes David Goodhart.

respect: close friendship with some print union leaders and his socialist credentials. The union outcry over his purchase of MGN is clear evidence that times have changed. One union official last night commented: "I think in the past year the socialist fig leaf has well and truly dropped off."

In a typically mercurial twist Mr Maxwell ended up paying the union fines. But it was enough to prompt Ms Brenda Dean, the general secretary-elect of Sogat, to write to the Oxford Labour Party in effect asking for his expulsion.

As part of the deal with Reed, Mr Maxwell gave assurances that he would "maintain the existing political stance, and editorial independence, policies and practice of MGN."



Clive Thornton: Instant resignation

What he is planning to do—as advertised during his negotiations with Reed—is to start a new London evening paper this September. This may go some way towards calming MGN staff fears about Mr Maxwell as a boss. So too should his promise to allow staff to buy shares in MGN "as soon as is practicable" — although he wants Pergamon to retain 75 per cent of the shares.

Over the goods on the second point. Pergamon originally acquired its ordinary shareholding in the British Printing and Communications Corporation and in Hollis in 1981 and 1982 for a cost of about £15m. Pergamon's latest annual report boasts that "today these holdings are worth about £200m, a massive appreciation in response to their vastly improved performance since Pergamon gained control."



Mr Maxwell had expressed a similar view earlier in the week. Mr Thornton's contract still has several years to run. Sir Alex said yesterday he would be discussing golden handshake arrangements with Mr Thornton — but not with the Press.



rival to the Daily Mirror—which last year contributed £22m to the profits of News International. The question is whether Mr Maxwell can do it. Others have tried at one time or another with its management tradition of buying a way out of industrial trouble.

ICL stops marketing Fujitsu computer

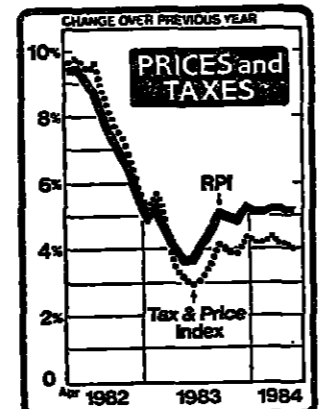
ICL HAS ended its agreement to market Atlas 10 computers, produced by Fujitsu of Japan, in the UK. Since the agreement was announced in May 1982, ICL said yesterday, it had sold only six of the very powerful mainframe computers, which cost between £2.5m and £3m.

Annual inflation rate stays steady at 5.1% in June

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE ANNUAL inflation rate remained steady at 5.1 per cent in June, according to official figures out yesterday, but the Government's hopes that the rate will fall to 4.1 per cent by the end of the year are fading.

Table with 2 columns: Item, Percentage rise over 12 months. Includes All Items (5.1), All Foods (5.1), Seasonal foods (20.8), Other food (4.8), Alcoholic drink (5.4), Tobacco (12.5), Housing (7.3), Fuel and light (3.2), Durable household goods (2.4), Clothing and footwear (2.1), Transport and vehicles (2.7), Miscellaneous (5.7), Services (4.0), Meals out (8.2), Nationalised industry prices (4.0).



so, then the Treasury could hit its inflation target by December. The figures yesterday showed that the retail price index rose by 0.3 per cent in June — compared to the May figure to 351.9 (1974=100). For the first time in over a year, the inflation rate was marginally lower in June than in the year earlier, while the average price of non-seasonal foods rose by 4.5 per cent in the period.

Authorities say water rationing inevitable

By David Heiler

WATER RATIONING is still inevitable in many parts of the country in spite of recent rainfall, water authorities say. The Water Authorities Association, representing the 10 water authorities of England and Wales, yesterday appealed to users in drought areas to follow the calls for conservation.

Minet committee told Navy plans £1bn scheme to modernise mine warfare

BY JOHN MOORE, CITY CORRESPONDENT

UP TO £40m in interest payments on alleged misappropriated funds belonging to 1,500 members of the Lloyd's insurance market may be missing, accountants Price Waterhouse has warned. The firm has been carrying out an investigation for more than 100 Lloyd's members whose affairs are managed by the Richard Beckett underwriting agency, part of Minet Holdings, the large insurance broking group.

THE Royal Navy is planning a £1bn programme to modernise its mine warfare capability over the next 10-15 years. Key elements are the introduction of up to 15 Hunt class mine-sweepers and mine-hunting vessels.

BNOC to peg N. Sea prices

THE BRITISH National Oil Corporation last night told its suppliers and customers that it intends to peg the price of most North Sea crudes for the third quarter of the year. Although one or two customers may refuse to buy at these prices, most are expected to accept grudgingly.

Mortgage rise likely to slow housing market First-time buyers to feel pinch

BY LYNTON McLAIN

THE NEW mortgage rate of 12.1 per cent will hit first-time buyers hardest, estate agents and surveyors predicted yesterday. The rise in interest rates was likely to slow down or stop any price increases at the lower end of the market, according to the Incorporated Society of Valuers and Auctioneers.

steadily during the past 12 months. The latest figures for house prices, those for May, from the Building Societies' Association show an average price of £31,082 for all houses. This represents a rise of 8.2 per cent from the average a year earlier.

had been "quite active" for a few months. Prices for a three-room, kitchen and bathroom flat had risen from about £15,000 in January to about £22,000 this month.

Lloyd's resignation dispute to be heard next month

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A CLAIM by two former executives of the Alexander Howden Group that they have resigned from membership of Lloyd's is "debated" by the organisation, the High Court was told yesterday.

Judge allows resumption of miners' pension investment

NATIONAL COAL BOARD trustees of the miners' pension scheme were given leave in the High Court in London yesterday to resume their investment programme — despite a refusal by the National Union of Mine-workers to appoint nominees to the management committee.

Woolworth to defy law again

WOOLWORTH is to open its Kensington branch again tomorrow in defiance of the Shops Act, which forbids Sunday trading. The store opened all day last Sunday, though it had not received permission from the local authority, Kensington and Chelsea Borough Council.

Action promised against drug dealers

A DRIVE against drug dealers was promised by Mr David Mellor, Home Office Under-Secretary, in the Commons yesterday.

Manx freepart parties near agreement

THE Isle of Man hopes to conclude with the next few weeks a deal with British Land to set up its freeport. Following Wednesday's long debate in Tynwald, the island's parliament, the two sides are to meet to conclude heads of agreement.

committed to erecting buildings on a minimum 5,000 sq ft but if the freeport is fully occupied it will have about 330,000 sq ft of warehouse, industrial and ancillary space.

The two parties are dividing the rent equally after deduction of the developer's return. British Land is undertaking all promotion, marketing and development of the freeport and, when built, its management.

Nuclear power 'must be last resort'

NUCLEAR POWER stations are uniquely dangerous and should be built only as a last resort, Prof Jim Jeffery claimed at the Sizewell B inquiry yesterday.

The union side can be represented before the court next Thursday. Mr Andrew Morritt, QC, for the NCB trustees, told the judge that the application arose from decisions taken at the union's conference this week at Sheffield.

JENKIN AND JOSEPH MAY STAY; GUMMER AND PRIOR MAY GO

Reshuffle of Cabinet to be limited

BY JOHN HUNT

THE CONTINUED stability of the Government in spite of the present economic turbulence was being emphasised at Westminster yesterday.



Mr Patrick Jenkin

Another figure set to continue in high office is Sir Keith Joseph, Education Secretary.

over teachers' pay he has established a rapport with the education profession and that his reforms of the examination system have been well received.

He made a powerful speech to the parliamentary press gallery, criticising striking miners and dockworkers.

Owen takes tough line on miners strike

BY JOHN HUNT

DR DAVID OWEN, the SDP leader, took an extremely tough line on the miners' strike yesterday, saying a defeat for the Government by the NUM could "stimulate an earthquake in loss of confidence."

recovered and the events of the past week had not changed that. In spite of the coal and dock strikes it had to be remembered that the majority of workers loathed the activities of Marxist militants.

The decline in North Sea oil revenues from 1986 onwards threatened to provoke a balance of payments crisis which would force the Government into expenditure cuts and interest rate increases.

He called for a co-ordinated economic expansion programme "with Britain's trading partners." He also advocated an industrial credit scheme of £100m per annum over five years to provide new investment money for industry to innovate.

Liverpool's budget victory claim angers minister

THE CLAIM by the left-wing dominated Liverpool City Council that it has scored a "massive victory" in its budget battle has soured the atmosphere for next year's cash negotiations with Whitehall, the Environment Secretary, Mr Patrick Jenkin said yesterday.

Mr Jenkin, making his first visit to Liverpool since the budget crisis was resolved, singled out the outspoken Militant Tendency supporter Mr Derek Hatton, the deputy Council Leader, for criticism.

way of moving forward in the spirit of co-operation I was offering. Mr Jenkin said, "I will leave it to the people of Liverpool to decide whether the way in which Council Hatton sought to dance on my political grave before they reached their lawful budget is actually the best

clients fail while they are with us," said Mr Blair. But banks only take on companies which they believe have a fair chance of survival after vetting them rigorously.

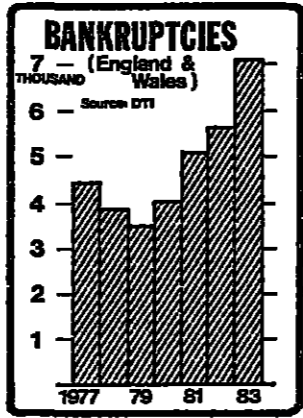
David Lascelles on the continuing need for corporate sick beds Banks' intensive care units remain busy

THE UK may be enjoying recovery but bankruptcies are still running at record levels. It has long been an irony of economic life that companies struggle through recession only to collapse when things get better.

"Things are very much easier now," said Mr Neil Blair, assistant general manager at Midland Bank. "Unfortunately, the number of company crashes is about the same, but most of them are now small companies."

Some bankers even blame themselves. A senior executive at one of the large clearing banks said: "Banking is a very competitive business, and banks are falling over each other to lend against sterling assets which look alright now, but what about the future?"

As with any real illness, "the trick is to get in early," commented another.



APPOINTMENTS

Consolidated Gold Fields changes

CONSOLIDATED GOLD FIELDS, has made changes in the responsibilities of its two managing directors. Mr Anthony Hitchens, formerly managing director—finance, becomes chairman of the company.

Mr Richard Price has been appointed executive chairman of TELTEL, the joint company formed by SBC, the Welsh Fourth TV Channel and CIN Industrial Investments, the direct investment arm of the National Coal Board Pension Fund.

Mr M. J. Langton has been appointed managing director of LANGTON UNDERWRITING AGENTS. Mr J. W. Fraser and Mr T. R. Brunt have resigned as directors of Lee Langton Holdings and associated companies.

Mr Peter Jackson has been appointed technical director of FIRST INERTIA SWITCH. Mr Stewart L. McArthur has been appointed a director of THE TALEX GROUP. He was previously the managing director of Amway (UK).

COUNTY BANK and BISGOOD, BISHOP AND CO have made the following appointments. To the board of County Bank from Bisgood: Mr J. C. L. Puxley, chairman and joint managing director; Mr E. H. Winterhaad, joint managing director; and Mr D. E. Forrester, director with responsibility for international business.

Mr R. A. D. Fry has been appointed chief executive of MONTAGU, LOEBL, STANLEY AND CO.

Mr Alex Dorrian and Mr Jim McEale have been appointed assistant directors of the Computer applications division of YARD.

Mr Jonathan Baker, previously a senior investment executive of EQUITY CAPITAL FOR INDUSTRY, has joined Mr David Wansbrough as an investment director, while Mr Martin Makey, formerly an investment executive at the investment manager, Mr Anthony Rosenbergs has joined the company as financial controller and secretary.

NGA head airs merger with bigger union

BY PHILIP BASSETT, Labour Correspondent

A LEADER of the National Graphical Association print union is clearly holding out the prospect of a merger with a large, general, non-print union—most probably that of the Transport and General Workers.

In a lengthy article in the union's journal, Mr Tony Dubbins, general secretary-elect, says: "Our immediate objective must remain 'one union for the industry'—but time and circumstances may not be on our side."

Protestors greet Howe at GCHQ

BY OUR LABOUR STAFF

SIR GEOFFREY HOWE, the Foreign Secretary, yesterday faced angry pickets as he made his first visit to the Government Communications Headquarters in Cheltenham since the Government banded trade unions there earlier this year.

Earlier, members of the GCHQ Trade Unions group, who refused to give up their union membership when the ban was imposed, staged a leaflet protest and long queues of workers' cars built up outside the current pay offer to £20,000 white-collar civil servants, which would add 4.55 per cent to the pay bill, but little immediate progress was made.

British Steel and dockers agree deal at Immingham

BY PHILIP BASSETT, Labour Correspondent

THE British Steel Corporation yesterday reached agreement at local level with workers at the Immingham terminal on the issue which originally sparked the national dock strike.

Mr John Ibbett, the TGWU docks officer for Grimsby and Immingham, said that shadowing took place only when there was a very heavy lift and such specialised equipment was needed.

breach of the dock labour scheme. This may be one of many since the national strike started and they may have to be resolved before there can be a full resumption of work, even when agreement is reached nationally.

Felixstowe dockers come out without taking a vote

AFTER THE mass meeting in Shed 30 of Felixstowe dock yesterday it was impossible to find a single dock worker who supported the decision to come out on strike from midnight last night.

David Goodhart on some odd aspects of the national strike hitting ports

Immingham had happened at Felixstowe the rest of the country would have come out for them.

There were a few grumbles but most of the 800 dock workers present accepted it as a fait accompli. After all, as Mr Lambie explained, it was either come out or be picketed out.

Pickets descend on Warsop pit

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE STRUGGLE by the North Derbyshire area of the National Coal Board to prove that miners will "drift back" to work found a new battleground yesterday—Warsop Colliery, near Mansfield.

Nearly 1,000 pickets descended on the pit yesterday to stop fellow miners returning to work. As they crossed the county boundary, police tried to hold them back—and a pitched battle developed.

ever, the NCB buses laid out to bring in the working miners carried about 60 men through the jeering lines. By contrast, Shirebrook—the scene of much violence over past days—had a token force of five pickets.

Disagreement halts teachers' pay talks

BY OUR LABOUR STAFF

TALKS on a new pay structure for the 450,000 teachers in England and Wales ended in disagreement yesterday. The main teaching union, the National Union of Teachers, said it had "run into the rocks."

In the talks the NUT laid down a number of conditions.

maximum limit on class size and a guarantee of minimum staffing levels.

UK CONVERTIBLE STOCK 14/7/84

Table with columns: Name and description, Size (£m), Current price, Terms, Conversion date, Flat yield, Red yield, Current, Range, Premium, Income, Div, Current, and Yield. Lists various convertible stocks like British Land 12pc Cv 2002, Hanson Trust 9pc Cv 01-06, etc.

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as a percentage of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. ¶ Income expressed as a percentage of the value of the underlying security. ○ The difference between the premium and income difference expressed as a percentage of the value necessarily the last date of conversion.

Advertisement for 3i Term Deposits, showing interest rates for various terms from 3 to 10 years.

Advertisement for SAVINGS OFFERS, listing various financial products and providers like Vanbrugh Life Assurance Ltd, Save & Prosper Group, National Westminster Jersey, etc.

Bank charges for a deed box

Our bank keeps our deed box for us, a most helpful service which we much like. Recently it advised a form letter to the box advising us to insure any valuable contents. I replied (by another label) that I had insured appropriately. There was no charge for many years but since January 1983 I have been debited £8.63 and (just recently) £10.35. I understood that when a bank did not charge it was a "gratuitous bailee" and so was exempt from responsibility. Has the law been changed? If not, does not the charging render the bank liable for any loss or damage?

There has long been some doubt whether a deposit in a deed box at a bank is a gratuitous bailee or bailment for reward. The duty of a bailee for reward to take care of the goods lodged with him are more onerous than where the bailment is gratuitous. We are not aware of any recent change in this aspect of the law; the circumstances of the original bailment will determine whether or not it was gratuitous. We doubt if the bank ought to have imposed a charge without first advising you of its intention to do so and giving you an opportunity to lodge your documents (and transfer your account) elsewhere.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

carried out (i.e. felling a roof where there was no felt before and putting in solid floors to replace wooden) could the alteration (and hence Nil VAT) be put aside because it included altering something which needed repairing?

Our view is that providing no decision has been made by the Customs and Excise regarding your particular case before November 1983 you can use that case to help you to qualify for zero rating.

The answer to your second question is that the old VAT law provided that an alteration of a building did not include any work or maintenance or repair.

We suggest that you ask the Customs and Excise the authority in law for their statement that pre-November-1983 work is not affected by the Viva Gas case. You might find it interesting to read the explanatory leaflet issued by the VAT Tribunal regarding the appeal procedure. Your local VAT office will be able to supply a copy.

VAT on house alterations

During 1981 and 1982 I had carried out works which involved felling and re-siding a previously un-felled roof, injecting a chemical damp proof course in solid stone walls and replacing a wooden floor with a solid concrete floor. The work was extensive and costly, and included VAT on much of the work. I have most of your published replies to letters in 1983 and in many cases your answers would seem to indicate that VAT is not payable on any of the expense (direct or associated) when there is some alteration.

When the Viva Gas Appliances case was settled in the House of Lords I decided to try and sort the matter out with H.M. Customs and Excise. Two points emerge:

The House of Lords ruling changed the VAT liability on alterations. I claimed this was a change in the interpretation of the Law and therefore applied to all prior expenditures. H.M. Customs and Excise say no, only on expenditure from 24.11.83. Are they right?

Where there is an alteration

Water in the ceiling

I live in a block of some 50 flats and the owners, like myself, are long-leaseholders. We have a service and maintenance account which is paid by the owners in agreed equitable proportions according to their rateable values.

If a fault occurs in the roof as a result of which there is water penetration, it is agreed that the cost of the repair to the roof is charged to the S&M account. My query concerns consequential damage caused by the water penetration which necessitates a ceiling or a wall being partly redecorated. Should the cost of the redecoration be paid by the S&M account or the owner of the flat which suffered damage?

We think that the cost of redecoration of a flat caused by want of repair to the roof would fall on the individual flat-owner except where notice of the defect has been given to the lessor and he has failed

to repair within a reasonable time of being given such notice. In that case the liability, or part of it, may be thrown on the lessor (or on to the S&M account if delay in repair was attributable to those managing that account).

Furnished letting

I am about to purchase a small flat through a housing association in Lancashire. It may be used by my husband and myself after our retirement in five years' time, but at present it is being acquired at a relatively cheap price for the purpose of letting. It will be financed entirely by myself through a bank loan, as my husband does not wish to be involved at present. Can you tell me, please, if I am entitled to claim tax relief on the interest I pay on the bank loan? (I am in full-time employment). The flat will be let furnished, probably on a yearly basis—or some other renewable contract of quite a long duration.

In principle, the answer is that the interest will be deductible from the furnished letting assessments, year by year. You will find general guidance in two free booklets, IR11 (Tax treatment of interest paid) and IR27 (Taxation of income from real property), which are obtainable from most tax inspectors' offices.

Protecting the house

The freehold property in which I live is unencumbered by mortgage loan and stands in the joint names of my wife and myself.

The property does not figure directly or indirectly in my statement of means for the purposes of my Lloyd's membership and I am anxious to protect it from any Lloyd's debacle which might affect me. Could you recommend a simple and inexpensive way of transferring title to the property to my wife alone?

Your simplest course is to assign to your wife your equitable interest in the house, but as a voluntary disposition that would be capable of being set aside in the event of your insolvency. If you sell the interest to your wife at the market price the transaction could not be impugned.

Doubly resident

Would you please let me know if I would be liable for (British) tax if I purchased Irish Government Stock, had dividends payable to an Irish building society and periodically made withdrawals from the building society into my bank current account here. I currently earn £9,000 here annually and pay the normal income tax for a single person. Yes: even if you are domiciled in the Irish Republic, your Irish interest (including the building society interest) will be fully taxable in the UK, regardless of whether it is remitted to the UK, unless by chance you are resident in both countries. If you are doubly resident, then articles 4 (2) and 12 of the Ireland-UK double taxation convention may let you off the UK tax hook. In a local reference library you should find a copy of the convention in, say, volume 5 of the British Tax Encyclopedia or volume F of Simon's Taxes.

CGT on Eurobonds

I recently returned to the U.K. having been "not resident and not ordinarily resident" for some 12 years.

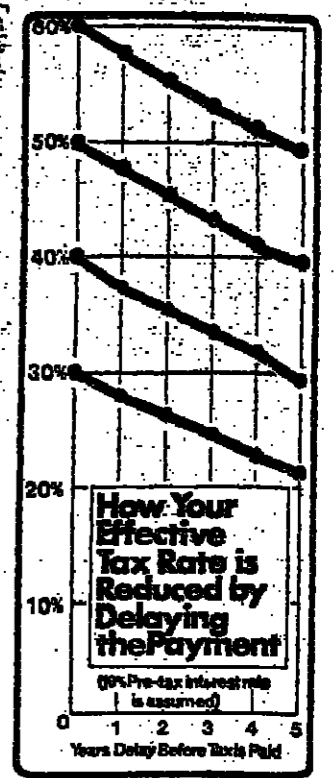
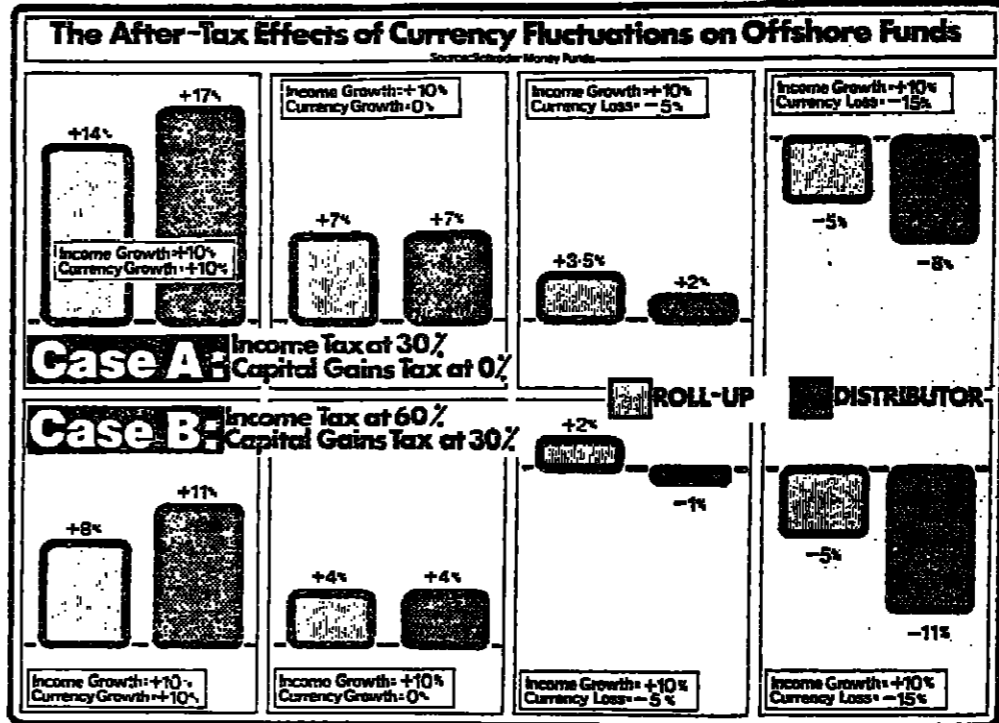
During the time I was away I bought Eurobonds of £ and DM, the Sterling value of which has changed as a result of exchange rates.

Can you please advise me how CGT affects the currency appreciation and if CGT is applicable what would the position be if I switch from one Eurodollar bond into another?

When you sell a bondholding (regardless of what you do with the proceeds), the chargeable gain will be calculated by subtracting from (a) the sterling equivalent of the proceeds, at the rate of exchange on the sale contract date, (b) the sterling equivalent of the original cost at the rate of exchange on the purchase contract date, multiplied by the RPI for the sale contract month divided by 313.4. If the bonds were purchased before April 6 1981, the divisor will be the RPI for the anniversary of the purchase contract month.

This is only an outline of the intricate CGT rules.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.



Offshore Funds

CLIVE WOLMAN begins a series on the attractions of overseas investment

LESS THAN a year ago British investors were withdrawing mountains of cash from their banks and building societies and sending the money across the Channel to Guernsey and Jersey.

Nearly £1.5m disappeared into the vaults of offshore funds as the good news spread around about the returns they were offering.

In recent months, however, the tide has been flowing the other way. Investors have been taking their money, more than £1bn of it, back home, and the Jersey potato-pickers have had to return to picking potatoes rather than processing cheques in the air-conditioned offices of banks.

The explanation for this reversal of fortunes is to be found somewhere in the nooks and crannies of clauses 80 to 97 of the Finance Bill now passing through its final Parliamentary stages: "Notwithstanding anything in section 85 of the principle Act (exchange of securities for those in another company) in any case where—(a) a company which is company B for the purposes of subsection

Tide turns—should you?

(1) of that section is or was at the material time..."—and so on.

The attraction of the offshore roll-up funds was that the interest they paid out was dressed up in the form of a capital gain and thus not subject to income tax. This enabled the funds to offer post-tax returns well above those of building societies, gilts or National Savings.

The provisions in the Finance Bill mean, however, that all the gains registered by offshore funds are now to be taxed as income.

Many believed that this action by the Government would be a deathblow to all forms of offshore investment—and not only to the cash "roll-up" funds, which were used to substitute for bank or building society deposits, but also to currency funds, commodity and futures funds and offshore unit trusts. These types of funds were set up offshore less for tax reasons than to escape the restrictive Government regulations restricting investment funds.

The Finance Bill however makes two major concessions in its taxation of offshore funds.

The series on these pages beginning this week is intended to explain some of the remaining advantages of the different types of offshore fund, and the ways in which it is possible to make use of the tax concessions.

The first concession is that, unlike with other forms of

savings and investment, no tax is payable on the gains from an offshore fund investment until the investment is cashed in.

This ability to defer income tax in this way is particularly useful if you are likely to be in a lower tax bracket when you need to withdraw your investment. This may be because you are due to retire within a few years or because you intend to work and live abroad for at least three years, when you should be able to avoid the tax altogether.

But even if your tax bracket is unlikely to change, deferring tax still has an advantage. As long as the money remains in your hands and out of the taxman's, you can be earning interest or some other form of return from it.

How this advantage works is shown on the adjacent graph, prepared by Schroder Money Funds, the Jersey subsidiary of the merchant bank J. Henry Schroder Wagg. The longer you leave your money in the more substantial the effect.

This offshore roll-up funds can be a particularly attractive long-term investment over say, 15 years when the effective tax rate will be, for a 30 per cent taxpayer, about 10 per cent and, for a 60 per cent taxpayer, 33 per cent.

The other concession made by the Government is the funds which distribute all the income they earn instead of "rolling" it up within the fund may be

granted an exemption from the tax charge by acting as "distributor" status. This means that any "genuine" capital gains they make will not be taxed as income.

This provision may be particularly useful for currency funds, which form the subject of next week's article. If a currency fund makes a gain due to exchange rate movements, the gain will not be taxed as income. Thus it can be advantageous for a distributor fund to invest in currencies which offer low interest rates, for example the Swiss franc, because they are likely gradually to rise in value against most other currencies.

However, distributor funds do not allow you to defer tax in the way that "roll-up" funds can do. And "roll-up" funds have further advantage as vehicles for investing in volatile and risky assets like currencies. If the fund suffers a loss in one year, this loss can be offset against previous or future rolled-up income for tax purposes, because only the net gain is liable to income tax when your investment is withdrawn.

By contrast, a loss suffered by a distributor fund cannot be used to reduce any income tax liability, not even the tax or income from the fund. As the graph shows, a roll-up currency fund will tend to show both smaller gains and smaller losses post-tax than a distributor fund.

POWELL DUFFRYN

A year of strong recovery—confidence in continued growth

The Chairman, Viscount Sandon, in his statement to shareholders in the Annual Report, reports that the year ended 31st March 1984 was one of strong recovery. Pre-tax profits increased by 42% to £18.5 million on turnover that was little changed. The improved performance was widely based throughout the Group with progress reported in many industry sectors. The Board is recommending a total dividend of 16p per share—an increase of 12%.

Viscount Sandon, Chairman. John Franklin, Chief Executive.

SUMMARY OF RESULTS		
	1984	1983
Turnover	£628.1m	£595.8m
Profit before taxation	£18.3m	£12.9m
Earnings per share	35.5p	27.0p
Dividend per share	16.0p	14.25p

TRADING PROFIT BY INDUSTRY SECTOR: Bulk Transport, Shipping, Engineering, Construction Services, Fuel Distribution.

TRADING PROFIT BY GEOGRAPHICAL AREA: UK, Rest of World, America.

The Chairman is optimistic that with benefits still to be gained from the major capital investment programme carried out over the last four years, the company's growth will continue. He concludes: "We have had a good year and I have a quiet confidence in what we are doing. I can now see the way ahead more clearly to a better future for Powell Duffryn."

Powell Duffryn is an industrial holding company with subsidiaries engaged in engineering, distribution and transportation, principally related to the energy, shipping, chemical and construction industries.

If you would like a copy of the Annual Report, which includes a summary of Powell Duffryn's activities, please write to the Secretary, Powell Duffryn plc, 5 Stanhope Gate, London W1Y 6LA.

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*On 1st July 1984 the simple annual rate will be 10.43% and the effective annual rate will be 11.00%. The effective annual rate reflects the benefit of compounding interest daily, and assumes that the simple annual rate remains constant, and that there are no withdrawals from the account. Rates vary with market conditions. Deposits earn interest from the business day following the receipt of cleared funds.

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YOUR SAVINGS AND INVESTMENTS

How a child can beat the taxman

Tax and the Family

DAVID COHEN explains the most tax-effective ways of paying for a child's maintenance

IF ASKED for an opinion, a conscientious tax consultant would probably advise his clients to stay single but have plenty of children. In contrast to wives, children enjoy important tax breaks which, if properly exploited, can cut the overall family tax bill.

From the moment of birth, a child is treated as an independent person for tax purposes, separate from his parents. This means that he has all his own allowances, exemptions and lower rate tax bands. So tax can be saved by channelling income and capital gains from highly taxed family members to children.

Consider the hypothetical family whose family tree is shown below. Grandpa Rich and his son Mr Rich are both 60 per cent income taxpayers and have substantial amounts of capital. But Mr Rich's young son Jim owns only a few premium bonds and the contents of his piggy bank.

The first objective should be to provide sonny Jim with enough income to absorb the single person's allowance, cur-

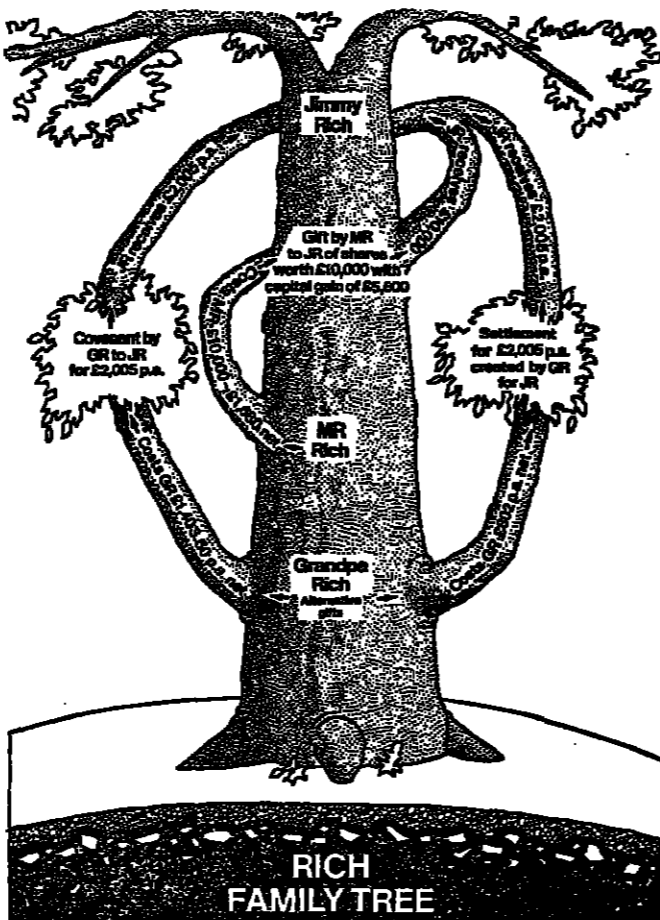
rently £2,005. Nothing can be achieved by Mr Rich diverting income to his son because income transferred by a parent to an unmarried child under 18 continues to be taxed as the parent's. But this rule does not apply to income provided by grandparents or by anybody else for that matter.

The most tax-efficient help which Grandpa Rich could give would be to transfer income-producing assets into a trust for Jim's benefit. Provided that the trust is set up in the correct way the income can be applied in paying Jim's school fees or in otherwise providing for his maintenance and any such payments will be taxed as Jim's income. This means that income of £2,005 can be paid out tax free, whereas if Grandpa had retained the assets himself more than £1,200 of that income would have gone to the taxman.

If Grandpa is unable or unwilling to part with capital, the next best method would be for him to make a seven year covenant in Jimmy's favour. This will attract basic-rate tax relief. So a covenant for £2,005 per annum will produce an annual tax saving for the Rich family of just over £600.

Having put Jim's spare income capacity to good use, the Rich family can now turn its attention to capital gains tax. Jim's father, Mr Rich, thwarted by the income-tax laws, at last has a chance to show that he can be just as generous as Grandpa.

Mr Rich has already used up his annual exemption of £5,600 and so will pay CGT at 30 per cent on any further gains. Suppose he gives Jim shares on which the potential capital gain



is £5,600. Normally, a gift of an asset triggers a CGT charge in just the same way as a sale would do. But it is now possible for donor and recipient to elect to "hold-over" a gain. If Mr Rich and Jimmy do so, Mr Rich will avoid tax on the gift and Jimmy will be deemed

himself. There is the practical question of whether young Jimmy has the legal capacity to sign a CGT election. In the Inland Revenue's view there is no minimum age — but with a very young child it is probably best to arrange for an adult to act as nominee.

When Jimmy leaves home, Mr Rich may be able to pull off a more spectacular tax-saving coup. The Riches live in the country but Mr Rich also owns a London pied-a-terre. Only a taxpayer's main residence is outside the CGT net so Mr Rich faces a full CGT charge on the eventual sale of the London property. But this can be completely avoided if the property is given to Jimmy who then makes it his main home. Mr Rich's gain will be held-over and when Jimmy sells as owner occupier he will be exempt. The result is that Mr Rich's original liability will be wiped out and no member of the family will have paid any tax at all.

Since all these tax-saving devices involve the making of gifts, the capital transfer tax implications will need to be considered. But CTT will rarely be a reason for not proceeding with an otherwise tax-effective gift to a child. Gifts which are not covered by the annual and other exemptions will normally fall within the £84,000 ten-yearly exemption.

Families aiming to take a leaf out of the Riches' book must understand that children have to be allowed to keep any assets or money given to them. Otherwise the tax benefits will almost certainly be lost. When payments are made under deed of covenant the Inspector of Taxes often requires a declaration from the covenantor that he will not derive any benefit from the payments he makes. In general terms, any circular arrangement which leaves the child at the end with no benefit from his "gift" would almost certainly fall foul of the anti-avoidance guidelines recently laid down by the House of Lords.

David Cohen is a Solicitor practising in London.

TRAVEL

Bucket shop flights ... avoiding pitfalls

IT TAKES a lot of time and effort to turn a holiday into a nightmare before it begins. The tribulations of the last two weeks, however, have at least provided me with a guide to the workings of bucket shop travel agents.

My objective, two weeks ago, was to find reasonably-priced air fares to Minorca during August. Iberia, the Spanish airline, was asking £182 return for each person, for a total of £546. Cut-price agents, according to advertisements in London magazines, could get us there for £103 each, or £309 total.

With savings like that on offer, I felt I could afford to spend an hour on the phone and miss a few lunches to book the seats. I first answered an ad reading: "Confused? Call us..." The company provided a list of firms with available flights to Minorca.

After an hour of phone calls, I determined the agency that would best suit our needs and promptly threw away the list. That was my first mistake. The information given out over the phone by cut-price travel agents can be vastly different to what you will receive when you arrive at the premises.

The agent on the phone said I could send the money by post (he wanted £90 deposit for the three tickets at £103 each) and

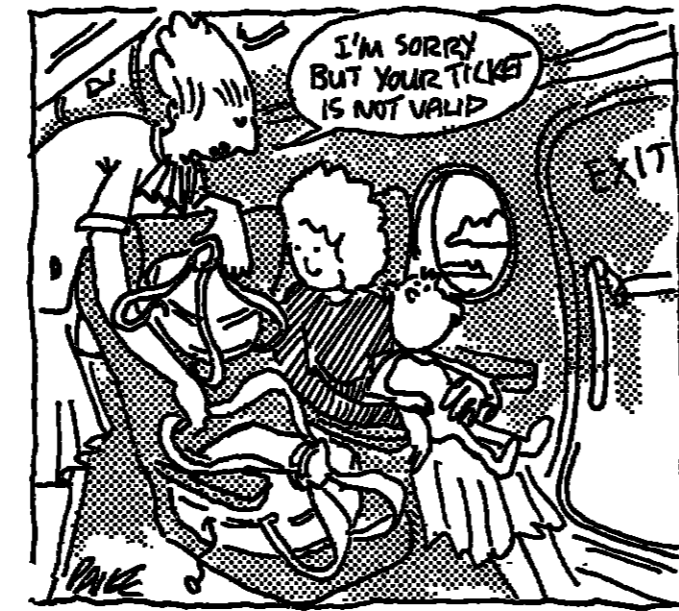
he would send a confirming letter by return post. Suspicious from birth, I went along to the Regent Street office to place my order in person.

I dutifully insisted on a receipt for my deposit and was again assured that the confirmation letter of the bookings, with flight times, would be in the next day's post. When the confirmation never arrived, I became a pest, calling the agency every few days. First, an employee was sick, then there was a train strike, and then the boss was busy or away. I'm surprised, in retrospect, that the miners strike wasn't given as a reason.

Two weeks after I gave in the deposit of £90, I was informed by the agency that, in fact, there were no tickets booked for me and it would have to send back my deposit. I confess, then, to resorting to a fall-back position. I identified myself as a reporter and asked for the manager to call back with the details of what happened.

Shortly afterwards the manager, telephoned, and after giving me the benefit of a long and embittered harangue, said that he now had the tickets.

It would be unfair of me to guess how the tickets suddenly arrived. But after calling a few experts in the field, I have



learned how these upsets can happen. The bucket shop agent works off "wholesale sheets" which he can get for a small fee from charter tour operators. These give lists of the seats the tour operators can sell under their own name. The bucket shops also get similar seats from some airlines, like Finn Air, which have empty seats on some legs of their flights.

When an agent tells you over the phone that he has your desired tickets, he is really saying that he believes he can get those tickets for you through the contacts described above. What can happen, however, is that tickets can disappear between phone calls and visits.

Following these rules can help you to avoid this pitfall:

- 1 Do not leave the agency without the full details of your flight, departure times, airline, airport, etc.
- 2 Save the numbers of all agencies you contact, in case you need a second choice.
- 3 Consider a £3 investment in insurance which will cover you in case the agency or airline goes bust. This insurance should be available from the agency. If they do not have it, try the Air Travel Advisory Service in London.
- 4 Check that the agency will refund your money if the flight is cancelled.

Carla Rapoport

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YOUR SAVINGS AND INVESTMENTS

Clive Wolman explains how to use the decision tree after the rise in interest rates

Glitter of golden gilts

SAVERS have never had it so good. This week UK real interest rates, after adjusting for inflation, were raised to their highest level this century.

According to some historical records, real interest rates are probably at their highest since Aaron of Lincoln and his fellow medieval users lent out huge sums to a financially naive aristocracy and clergy to finance their wars and their abbey.

Certainly in this century, savers have never seen the purchasing power of their wealth increase so rapidly except for brief periods of savage price falls in 1921 and 1929.

But some savings institutions have been reacting more swiftly and more dramatically than others to the changes in market conditions. This has meant that the decision-tree advising you in which low risk savings medium to put your money that was published on these pages in March is now out of date.

The biggest increases in interest rates have been made by the building societies which yesterday announced that the rates they were paying to their investors (net of basic rate tax) would be raised by 1.5 percentage points from the start of August.

But the yields offered by "gilt-edged" Government securities have also risen substantially in recent weeks. For higher-rate taxpayers at least, gilts, of both the conventional and index-linked variety, offer better returns than any other asset, provided you can afford to hold on to them until the redemption date, or some time close to it.

Many savers are deterred from putting their money into Government securities by the technical jargon surrounding them and the apparent difficulties of buying and selling them in relatively small amounts.

Many gilts in fact are on the National Savings stock register and thus may be purchased simply and cheaply through the Post Office. The following gilts recommended in the decision tree appear on the stock register: Treasury 3 per cent 1985, Treasury 8½ per cent 1984-86, Funding 6½ per cent 1985-87, Index-linked Treasury 2 per cent 1988 and Redemption 3 per cent 1986-86 (a medium-dated low coupon gilt).

Those seeking further advice or wishing to buy alternative stocks will have to turn to a stockbroker. In view of the impending Stock Exchange reforms, most are now eagerly courting small investors and should be willing to help.

Simon Corker of stockbrokers Phillips and Drew has produced figures showing the importance of precise timing when purchasing gilts, particularly if you are a higher-rate taxpayer. The best time to buy is shortly after the half-yearly dividend has been paid on the gilt and the best time to sell is shortly before the next one is due. You will still gain most of the benefit of the dividend as the gilt price rises in anticipation of the payout.

But whereas dividends are taxed as income, such price rises are treated as capital gains and thus free of tax if the gilt is held for more than a year. For investors who are likely to use up their £5,600 annual exemption from capital gains tax, the optimum period to hold a gilt is just less than 18 months so that they receive only two dividends.

But even a "15-month run," rather than one over 18 months, can still be attractive if the dividend dates do not fit in exactly with when you wish to invest your money.

One drawback to buying gilts is that if you wish to cash in your investment a long time before the redemption date you may suffer a capital loss if interest rates have risen since your purchase. And in that situation, you will be tempted to switch your money into a higher-yielding asset.

For this reason, buying gilts with a redemption date more than four or five years away is a fairly risky procedure. And if you are pessimistic about the outlook for interest rates in the shorter term, you should buy gilts with a redemption date next year.

Among the slightly longer-dated gilts, the index-linked stocks are the least risky. The 1988 gilts are offering real returns (after deducting the inflation rate) of more than 3.5 per cent per year and very little income tax has to be paid on the dividends. Higher-rate taxpayers will do better to hold index-linked gilts unless inflation averages less than 3 per cent over the next three years. Despite their tax advantages,

low-coupon and index-linked gilts are an awkward investment if you are seeking a high income. The only way the low half-yearly dividends can be supplemented is by cashing in some of your holdings on a regular basis. But this can be expensive in terms of commissions, and is inconvenient.

Barlow Clowes offers a gilt management service which can provide a relatively high regular income from low-coupon gilts for higher rate taxpayers. This is achieved by investing in gilts with well-spaced-out dividend dates and by cashing in stock at suitable moments.

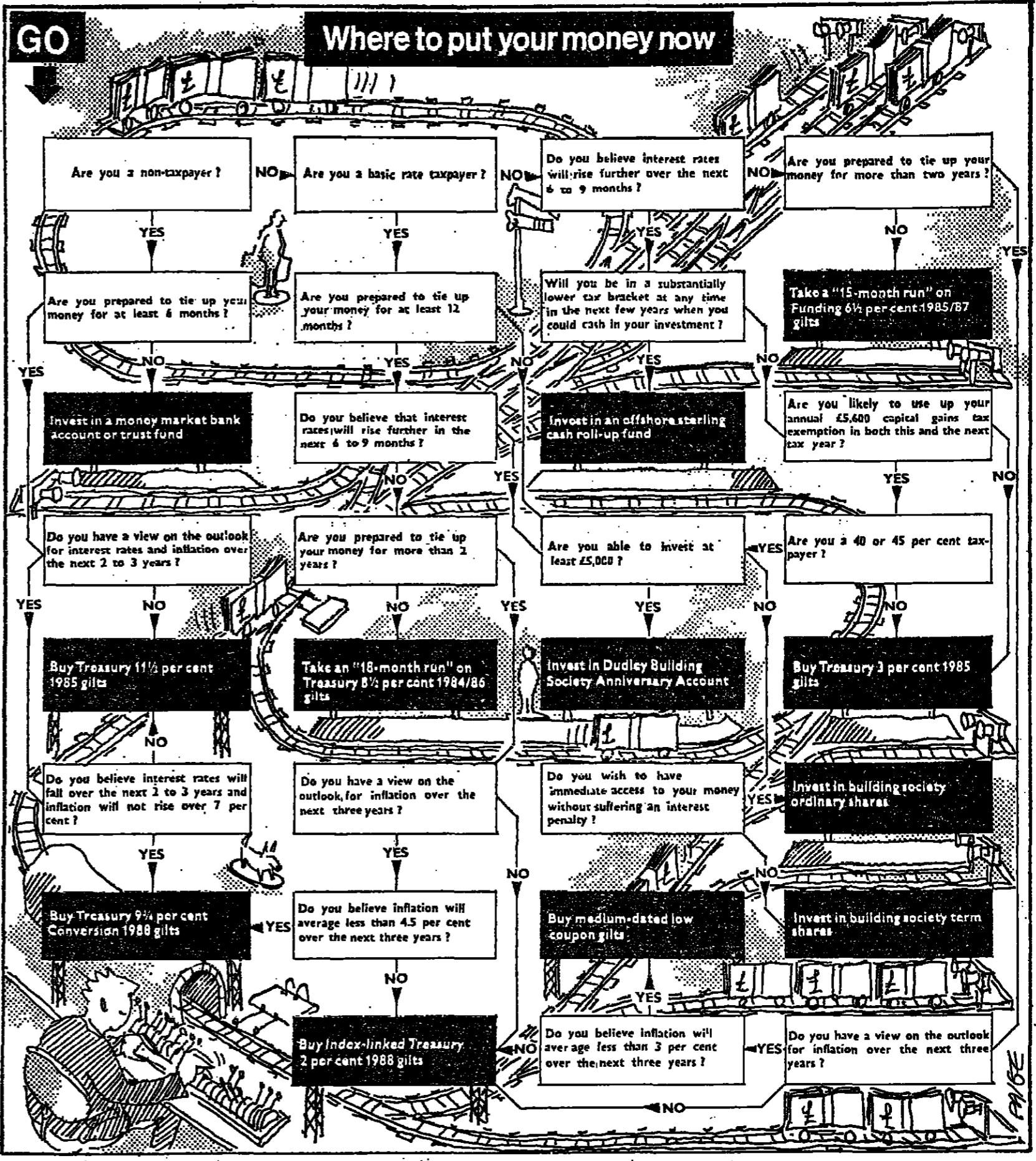
The only savings medium which has come badly out of the recent interest rate increases has been National Savings. The interest rates on its investment accounts, bonds and certificates were cut in April just as interest rates elsewhere were starting to rise.

Now, you can find a better deal from at least one of its competitors whatever your tax rate and other requirements. Even the index-linked certificates or "granny bonds" can no longer compete with index-linked gilts despite the improved terms announced last month which gave them some attractions at the time.

Outside the public sector, there are also wide disparities, particularly in the special interest rates offered by the smaller building societies. The July survey carried out by Information Presentation of Dorking, Surrey, shows that by far the best deal at present is being offered by Dudley Building Society in the West Midlands. This is offering a rate of 9.75 per cent (net of basic rate tax) on investments of over £5,000 and you can withdraw your money immediately without penalty. The building society says that the offer is likely to be withdrawn shortly.

Of the other recommendations in the decision tree, the advantages of offshore roll-up funds are explained on page 8 while details of the interest rates offered by money market bank accounts and trust funds can be found in the statistical section at the back of this newspaper.

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هكذا صدق القول

TRAVEL

Bibles on eating and drinking in France

BY ARTHUR SANDLES

THE BASIC rule of travel in France is that all roads lead to a paper tablecloth. Although the holiday snaps may be of pretty churches, old streets, cobbled squares and merry markets the conversation is much more likely to turn to... that fantastic meal we had in Sisteron; the cooking was amazing, and only Fr 45 a head...

Michelin is still the market leader as far as finding a decent place to rest and eat wherever you happen to be. Its UK-based rivals tend to be thinner in spread, excellent though they may be. Next year one of Michelin's major rivals, the Guide Hachette, will be on sale in Britain in an English version produced by Fontana and called the Fontana Guide. It will cost somewhere between £8 and £10.

The current French language version, which is fatter than Michelin and much more chatty, costs Fr 89 in French bookshops.

My own little bible continues to be the Guide des Hotels published by Logis et Auberges de France. It is free in Britain from the French National Tourist Office in Piccadilly (large SAE if you write to the FNTO). In France you have to pay for it. When picking it up you might also inquire about the latest edition of the map of French rural side-roads—the ones you see marked with little green arrows from time to time.

Later this month this page will turn its attention to the Channel ports. Meanwhile, for those of us who tend just to point the car towards France and go where the mood takes us, here is the instant prompt:

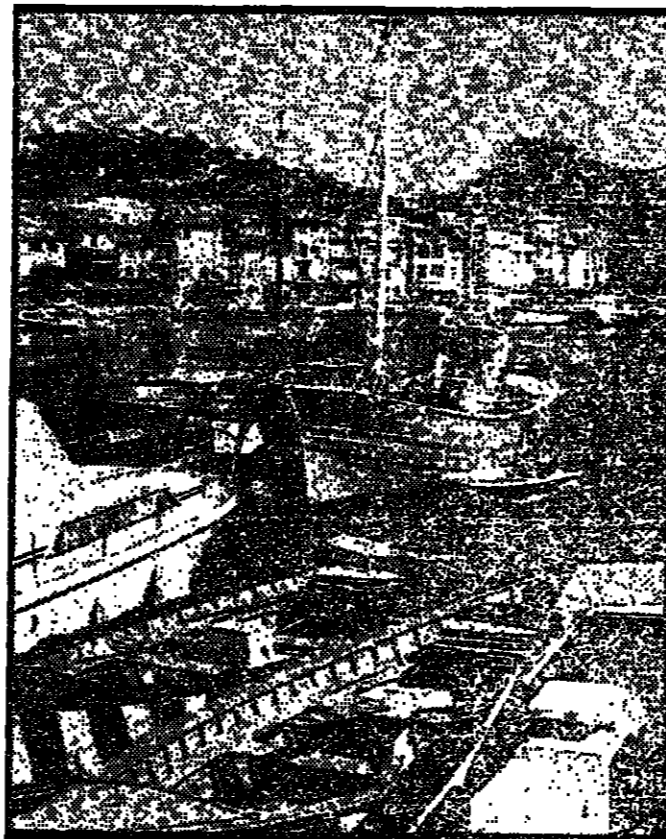
Pas de Calais: The coast is overdominated by the British, but inland it has more charm than whizzing through suggests. Wonderful dunes south of Boulogne. Cooking looks very much to the sea and steals a little from Normandy, but with the accent on beer rather than cider.

Normandy: Rich land of agricultural pleasures and a history which is deeply entangled with Britain. Rouen is a delightful town, in the centre at least. Apples, cream, shellfish, veal dominates. The menus, the extra zing comes from Calvados.

Brittany: A land for the family holidaymaker, heavily used by British for self-catering in modern villas built in the old



The harbour at Bandol, near Marseille



The harbour at La Rochelle on the Atlantic coast

style. Some of the best coastal scenery of Europe. Menus: forget meat, this is a world of fish. Seafood plates made up of assorted crustaceans followed by Raie au Beurre Noire (skate in butter) would be a standard meal, chased down by the local croques which come in considerable variety including plastic wrapped to take home from the supermarkets. Cider and Muscadet (from nearby Loire area) are standard drinks.

The Loire: Chateaux country. Drag the kids round, they might learn a bit of history. See Chamois for beauty, Chambord for grandeur. Lots of English-speaking help. Tends to get crowded in high season. Menus: River fish and various pork concoctions, sausages and rillettes. Wines are light dry and white, very much to current English tastes.

The Dordogne: Britain's home from home. Rolling rural vistas, cosy little towns and, to be family holidaymaker, heavily used by British for self-catering in modern villas built in the old

and truffes. Walnut oil is the ubiquitous replacement for olive oil. Don't plan to drive after lunch. Massif Central: Strange, often overlooked, region of mountains and gorges. Lots of spas and healthy walks. The fortresses and music of the Auvergne, fascinate the British. The food is aimed at mountain palates and appetites. At the right time of year game is to be had in abundance. Year round you will be offered a wide array of local cheeses, the blue ones are a particular local speciality as is, of course, Roquefort.

Pyrenees: One range of mountains and yet almost as different in East and West as North and South. You tend to travel in the lowlands that contain Pau, Tarbes and Lourdes and make dashes into the mountains. Wonderful scenery and a great place for church spotters. Food has a Spanish influence, the peppers, onions and tomatoes start creeping into things. Provence: The original French Mecca for the British.

Impossibly crowded in August but at other times a wonderful array of superb scenery, little villages, big resorts, the highly sophisticated and the appealingly quaint. With both mountains and sea it would be holiday perfection—but for the numbers of people. Menus: Lots of oil and garlic, and sea food. Nicolese ratatouille and bouillabaisse are the words to remember. The wines of Bandol are under-rated.

French Alps: Grey and snowy when compared with the summer pastures of Switzerland and Austria, but ruggedly appealing for all that. Driving that can be great fun, if a little nail-biting, and the scenery dauntingly grand. Leave lots of time to get from A to B. Menus tend to include mountain dried meats, fondue and raclette.

Burgundy: Beef, snails and red wine are the staple diet. Lifting your eyes from the table occasionally you might also spot some gently attractive scenery. A region for gentle

ambulatory tours with a purpose, the purpose normally being the stocking of the cellars for the coming year, or years. Alsace: Invaded by Europeanists these days, Alsace is strikingly different from the rest of France in its mood. The Vosges mountains tumble down through vineyard-covered hills to fertile fields and pleasant small towns with a Germanic accent. Do not miss Riquewihr, a pretty place to taste the local wines—and they are very good. Choucroute garnie is difficult to avoid in local restaurants, along with various meats and fishes done in local wine, which tends to be fruity and sweetish.

Paris: A city to visit in spring or autumn. It is no longer deserted in August, although some restaurants and shops do take a break then, but it does tend to get a bit hot for sightseeing. The gastronomic capital of the world, if the French themselves are to be believed. There are still surprisingly inexpensive good hotels and eating houses.

MOTORING

Nuisance or just B silly?

BY STUART MARSHALL

IS IT a genuinely needed, sales-boosting benefit to Britain's motoring industry—or simply a "B" nuisance to buyers, dealers and manufacturers alike?

I am referring, of course, to the new car registration prefix. In showrooms all over the country, salesmen are either just ordering-taking for the great August 1 boom—or tapping their feet idly, with barely a customer in sight.

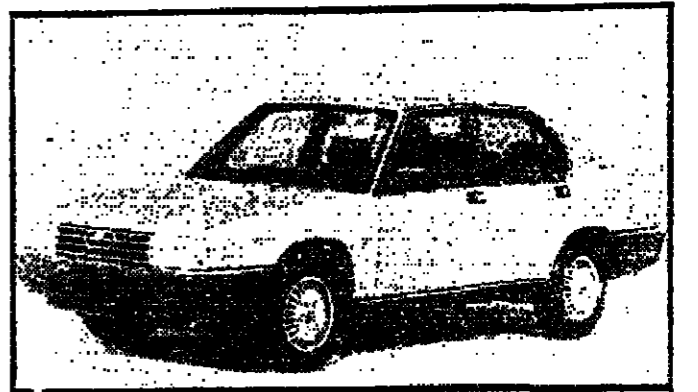
Just how great the distortion created by the new registration letter has become was demonstrated abundantly by August sales in last year's record 1.79m car market. Out of that total, 374,599 were registered in August, or 21 per cent. Contrast that with July, when a mere 49,378—2.8 per cent—were sold. Austin Rover, for one, claimed that as early as May the market was starting to slow as buyers increasingly became inclined to wait for the next year's registration letter.

The trade expects the pattern to be repeated this year, though perhaps not quite to the same extent because we're simply moving to the second letter of the prefix system now, as in 1983, from suffix to prefix.

Last year's extreme peak has started debate afresh about the desirability of the yearly identifier, sufficiently so for the Department of Transport to be prepared to look at it anew. This is so even though only two years ago, when asked for views on alternative systems prior to making the switch from suffix to prefix, the Society of Motor Manufacturers and Traders, the major interested party, despite internal splits, generally supported a continued August change.

From a social point of view, for my money the system tends to bring out the worst in a lot of us: the "keep up with the Joneses" incentive is undoubtedly there. The suffix or prefix sticks out a mile in the driveway or on the road; an all-too-obvious, though potentially wildly inaccurate, apparent indicator of individual economic well-being (or otherwise). A current one can create smug one-upmanship; a not-so-current one discontent, even envy.

It also can colour unfairly, even if subliminally, our view



This is the Alfa 90, the Italian state-owned company's new contender in the executive saloon sector. It will go on sale in Italy and other Continental markets in the autumn, and come to the UK early next year. The car, with engines of between 1.8 and 2.5 litres, will slot between the existing Alfa Romeo saloon and top-of-the-range Alfa 6 models. By then the Alfa will be back on sale. Not (some would say, alas) the classic hatchback which set new standards in the early '70s, but the joint venture model between Nissan and Alfa which is already sold by Nissan dealers in Britain as the Nissan Cherry Europe. At first, Alfa in the UK said it was too downmarket for its dealers. With total Alfa sales in the UK in the first half of this year down to 2,253, about one-third 1979 levels, it has now changed its mind...

of other road users. That young fellow in front in the "P" registration Jag, for example, he probably didn't pay more than £1,000 for it, probably can't afford to maintain it properly and since he's opted for a fast car on the cheap he's probably a hooligan, to boot...

The generation of such attitudes, however, provided at least part of the reason for creating the yearly system in the first place, on the assumption that it would boost total new car sales, compared with the old one where even the connoisseur could tell at best from the number plate where the car was registered.

So the industry was a vocal supporter when the first "A" suffixed car took to the roads in 1963, for that reason and the fact that previously sales had bunched in January and thus, in theory, two smaller and more manageable sales peaks should be created.

For years, it did have the desired effect of smoothing out the year's sales pattern—but the industry has been divided ever since on whether, at the end of the day, total sales had been increased. That particular debate has tended to be swamped recently, however, by the sheer size of the August bulge.

Adjusting output schedules to build the August stock mountain and cope with the inevitable market tail-off afterwards has become a big problem for the manufacturers. Dealers have the cash-flow problems of much-reduced sales two months before August, at the same time as they are having to stock for

the boom: struggle to cope with the sudden flood of cars needing pre-delivery preparation, and with the inevitable trade-ins in volumes which are hard to shift.

Customers, it seems to me, are entitled to wonder whether their cars can be properly prepared for delivery in such circumstances...

So there is a growing body of opinion in the industry now that the system should, in fact, go. Vauxhall has said bluntly that the sooner any yearly identifier is scrapped the better: Austin Rover, after mooting a change to October, appears to have swung to the Vauxhall view; Ford, as yet, seems undecided.

One of the arguments which has been propounded by the UK industry "scrap it" lobby was that it helped importers. All the Continental countries experience their worst sales month in August (typically 5-6 per cent of the year's total). Thus, the argument went, Continental makers could build right hand cars to their hearts' content and flood the UK market with them to the disadvantage of domestic makers.

Mr Michael Heeles, managing director of Volkswagen/Audi in the UK, scooped that one a couple of weeks ago. He, too, called for the yearly prefix to be dropped. The importers had to fill even longer supply pipelines, starting in May, he insisted. And since catering to the extra UK August sales involved only about four days of total production, it was hardly significant to the well-being of the company.

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HOW TO SPEND IT

By Lucia Van der Post

Souping-up the Habitat image

IF you had begun to feel that though Habitat was undoubtedly a GOOD THING, it was perhaps becoming too predictable, then Sir Terence Conran wouldn't blame you. The big minds at Habitat have caught the public mood. They could sense, in the way that all the best retailers can, that its image was a little static. That it was seen by many as a one-look store, the kind of place to go for chirpy items to cheer up a student's bedroom, for jolly rugs at lovely prices but not the place for serious furniture or the sort of quality that it seems the public are now looking for.

Which is why anybody wandering into a Habitat store next month or leafing through the latest catalogue (due in all Habitat stores and newsagents on Saturday, August 25) is in for a big surprise. Not too big a surprise, though—the old basic Habitat will still be there but topped up, like a layer of thick, rich cream, with a new more upmarket, more quality-conscious collection of household artifacts which make up what Sir Terence calls the Country Look. But the visual association here is not so much peasant and rustic as sophisticated Arts and Crafts, more country house than country cottage, more fine, soft cottons and gentle china than textured weaves and terracotta.

The cornerstone of the new collection is a range of furniture given the name of Quaker and anybody who has admired Shaker furniture as long as I have will see at once its lineage. Simple without being dull, solid without being heavy, it is infinitely pleasing to the eye.

All of it has been designed as a group effort by the Habitat in-house teams and though its visual links with the Shaker movement seem to be obvious it shouldn't be confused with straight reproduction furniture. It has caught a mood, a feeling, but it has, as Sir Terence himself puts it, "a slight tension and austerity to it," which gives it a character all its own.

The buzz adjective they attach to it at Habitat is "serious." Serious it is indeed in the sense that it is designed to last and not just a stepping-stone to something better. All the cabinet-work and legs are made from ash and all the tops are of mired oak. All the pieces have a high percentage of solid wood and



FAR LEFT

Country Style bedroom featuring many of the items that go to make up the whole look, including the flower-sprigged bedlinen and furniture from the Quaker collection. The Marlow bed is £219, the bedside table £59, the chest-of-drawers £149, the blanket chest £85 and the wardrobe, perhaps the best value of all, is £199. All are made from a combination of ash and oak, all come in knock-down form with screw-driver, brass screws and hinges all included.

LEFT

One of the most attractive pieces from the Quaker collection—a glass-fronted shelving unit, showing a selection of china against a green lacquered back. Below it is base cupboard with two drawers and two-door cupboard. Each costs just £119 and both can be seen and ordered now at Habitat of 198 Tottenham Court Road, London W1.

much attention has been given to things like the ironmongery, the lacquer, the finish. The truly astonishing thing about the collection is the prices—a whole wardrobe complete with sliding shelf at the bottom of £199; chests of drawers, sideboards, console tables all hover between £100 and £120.

Then there are new sofas in curvy, comfortable shapes sold in plain calico so that customers can choose from a much wider range of fabrics for the covers. There are also all the smaller bits and pieces that contribute to the whole new upmarket Country look—fresh, flower-sprigged bedlinen or, even better, plain white bedlinen at prices that won't break the bank (£22.95 for a double duvet, £5.95 for a pillowcase).

Clever, too, are the plain white damask tablecloths and napkins—the sort of thing that until now has had to be tracked down in fine, expensive linen departments of exclusive stores. There are duvries coloured to

tone in with the new fresh fabrics at very good prices, soft opaline glass lamps with brass, new wallpapers and the reintroduction of the deliciously pretty Asiatic Pheasant china in shades of white and soft, washed-out blue.

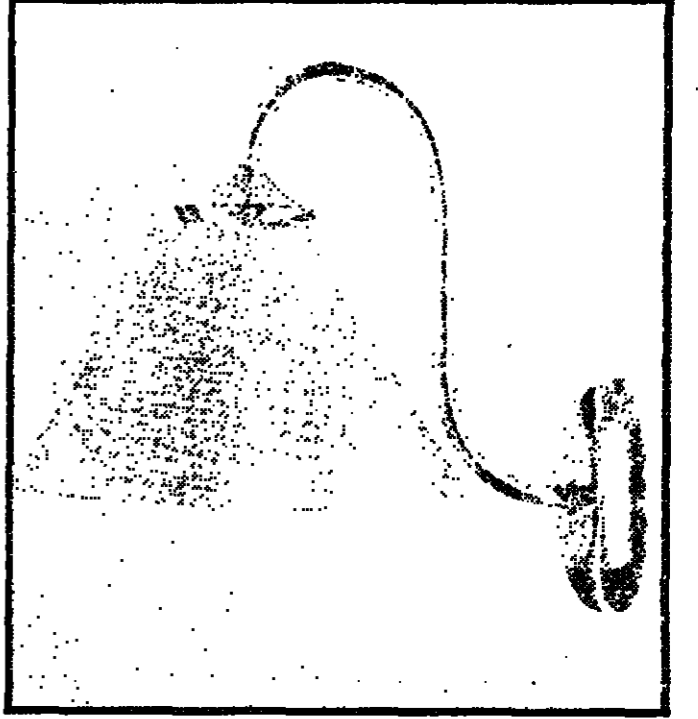
It is probably the largest new complete range ever added to the Habitat stores in one big dollop, part of a concerted effort to "move things along." To offer the customer a valid alternative to what the Habitat team call the Lifestyle look that has until now chiefly purveyed. Next year will see more concentration on yet another option—the urbanised, City sophisticated look, some elements of which are already on sale but which will emerge in a more comprehensive way as time goes on.

In the meantime, those who are in a hurry to see the new Quaker collection can see it now in the branch at 198, Tottenham Court Road, London W1. From mid-August it will be in all stores throughout the country.



LEFT Asiatic Pheasant, in shades of white and a soft washed-out blue will, I think, be one of the runaway successes of the new collection. A design revived specially at the instigation of the Habitat team, Burgess & Leigh, which makes it for them, found some of the original old engravings were still in its possession and recreated the ones that were missing, to give a set of china with an authentic nostalgic Country House air. The teapot is £12.50, the teacup, £1.75, the saucer 95p and the breakfast plate is £2.15.

RIGHT The new collection offers some exceptionally elegant light fittings combining brass and opaline glass—shown here is a single wall lamp costing just £19.95. There is, however, a very useful double hanging light version which features two lamps attached to a brass rod—ideal for sitting above dining tables.

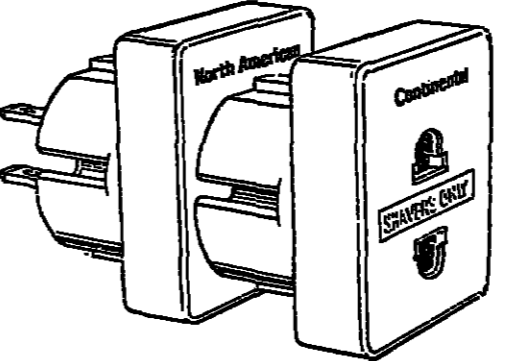


Pack it all in

THOUGH a minimum number of gadgets seem to me to be essential for those travellers who don't wish to be separated from too many home comforts, there is a whole host of other essentials that can't quite be classified as gadgets. Take, for instance, insect repellent. A colleague is currently trying out the latest one, Jungle Formula, in the northernmost reaches of Lapland (and Lapland hands will, of course, know that there is no more severe test of efficacy than Lapland in July, though a few dissenting voices near at hand think that the Highlands of Scotland would do just as well).

Those who are setting off before we have the full report from our intrepid reporter might like to know that early news from the stores does sound encouraging—it really seems to keep off all the usual small things that buzz and bite. £2.50 a bottle, to order only from Boots. Lanocaine has this year taken the business of sunning to sweet-smelling lengths and offers creamy lotions for pre, during and apres sunning. For the sort of sunburn that is so bad that it actually stings and burns Noxzema Skin Cream, already much used in the U.S., is now on sale over here—non-greasy and thankfully

neutral-smelling it is £1.79 from Boots. I've been taking a look at some of the first aid kits on the market and none seemed to give value for money—most seemed over-priced collections of the sort of thing one could put together more cheaply oneself. Find a sturdy box, pack in aspirin, Alka Seltzer, plaster, anti-histamine creams and whatever else you or your family might need and if it makes you feel better stick a label with Red Cross and First Aid written on it and you will have a kit at least as good and certainly much cheaper than those on sale.



ABOVE For those travelling to foreign countries and wanting to use the small electrical appliances they consider essential to their holiday comfort, great care should be taken over plugs and adaptors. Most good electricians still feel that the only really safe option is always to change the plug on arrival. If you are going to America, for instance, you are much safer to buy a plug on arrival and change the one on your appliance (as well, of course, as switching the voltage over). Those going to Europe might like to know that Continental Electrical Components of Great Gutter Lane, Wiltshire, Hull, sells appliance plugs at very reasonable prices by post. For £1.70 (including VAT, p+p) it will send you a plug with two pins plus earth connections wired up in exactly the same way as UK plugs and which is absolutely safe for using on appliances on 120/220 voltage. Caravans are another potential source of danger—if for instance, the earthing on a particular plug isn't right the whole caravan is more or less live. CEC sells a caravan plug designed for fitting to a supply cable and making a plug-in connection to the appliance inlet for £2.90 (again, including VAT, p+p). If, however, you can't be bothered to change the plugs each time you arrive in a new country, the adaptors now on the market are infinitely safer than those of earlier years. The crucial point to remember is not to use one where the appliance needs earthing. It isn't always easy to tell which do and which don't—and large, smaller things like curling tongs, shavers and curling sets are safe, larger gadgets like irons and some hair dryers are not. Woolworth sells its own adaptor set (shown sketched here) which can be used with low current gadgets (up to 550W) where two-pin plugs are normally used—there are adaptors for round-plugged sockets and ones for flat-plugged ones. But it is NOT suitable for gadgets which are earthen. Stocked by most Woolworth and all Woolco stores, it costs just £2.99.

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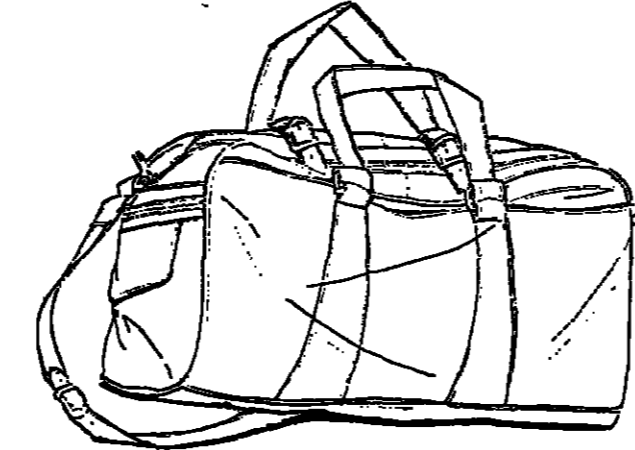
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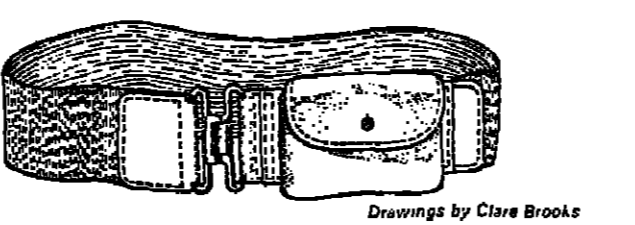


ABOVE The modern answer to Carmen rollers—lighter, squarer, easier to pack, Schumi Shapers come nine to a packet. The shapers themselves are in assorted colours, of blue, yellow and red and they are seen not just as a practical hair aid (put them in your hair and wind your hair round them and in about 15 minutes they will have absorbed heat from your head and caused your hair to curl in the desired way) but as fashion accessories. Personally I think you'd need to be exceptionally self-confident or of an exorbitant turn of mind to be able to wear them as a fashion accessory but for practical purposes they do seem to work. Made from a bendy foam fibre they are soft enough for them to be comfortable when worn at night. A small packet (shapers 4 1/2 in long) is suggested for short hair at £7.99 for nine, the large packet (10 1/2 in long shapers) is recommended for long hair, £9.99. From Schumi hair salons in London and the wig departments of major stores all over the country.

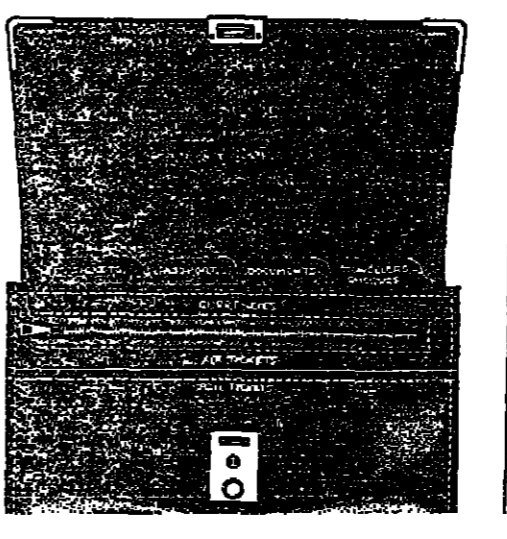


ABOVE RIGHT Fans of the Enny range of bags will not need me to be too lyrical about the quality of the leather, or the soft, squishy air of luxury, or the fineness of the detailing but those for whom the range is new might like to start their acquaintanceship by inspecting Enny's latest design, a soft, capacious hold-all, sketched here. It comes in a range of the usual Enny colours—white, black, brown, deep red, dark green—has two side pockets, a shoulder strap for easy carrying but its chief charm is its undeniable air of quality. There are two sizes, 17 ins by 6 ins which costs £165, or 21 ins by 8 ins which is £235—but both would be suitable for most people's overnight or carry-on luggage needs. Available to order from Harrods and Harvey Nichols in London or Kendal Milne in Manchester and Bags and Baggage in Glasgow.

RIGHT How to carry safely the numerous documents and currencies that modern travel seems to involve presents something of a dilemma. If you keep everything together you do at least know where it all is, but if you lose one thing, you lose the lot. On the other hand, if you try to hedge your bets and keep passports, money, credit cards and tickets all separately you need to be uncommonly collected to be able to place your hands immediately on the bit you need. I leave readers to make an



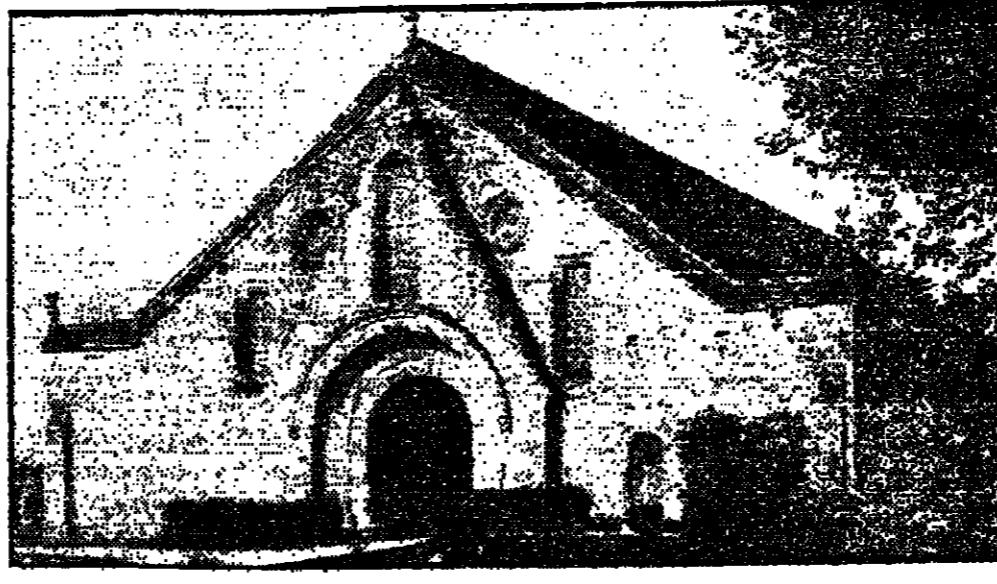
RIGHT The Travel Clutch, with sections for tickets, passport, travellers' cheques, air tickets, rail tickets and a zipped portion for coins, should help keep you organised while you travel. 8 1/2 ins long by 5 1/2 ins wide, it is £16.95 (r+p) £11 also from



ARTS

Dominic Gill visits a French festival
Beethoven in a barn

The 13th-century fortified farm of Meslay, surrounded on three sides as far as the eye can see by fields of maize, barley and wheat...



The Grange at Meslay: magic moments

but no less holy enterprise: a cycle of the complete string quartets of Beethoven, presented by six distinguished ensembles, and interleaved by a selection of other Beethoven chamber works.

Comic cuts

If a being from Outer Space visited our planet, what on earth would he make of the following spectacle? Four or five hundred people in a darkened room making loud staccato choking noises as they sit facing a fluctuating wall of light.

VIDEO

My own worst used to occur during services at my school chapel: not through religious disrespect but because of an eccentric ordained master who used boomily to open his sermons with such sentences or sayings as "Potatoes!" or "Madam, you have run over my slug with your Rolls-Royce."

Black on black and ethnic cultures

fewer directors. Caryl Phillips, a young black writer from St Kitt's, had three plays produced as reputable theatres within two years after coming down from Oxford: no prejudice discernible there.

theatre is not well furnished with suitable parts, either in classics or in new works. But it will all come.

RADIO

B. A. YOUNG

BBC 1

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 No 73.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 No 73.

CHANNEL 4

2.30 pm Ark on the Move. 2.30 pm Pack Up Your Troubles! starring Laurel and Hardy.

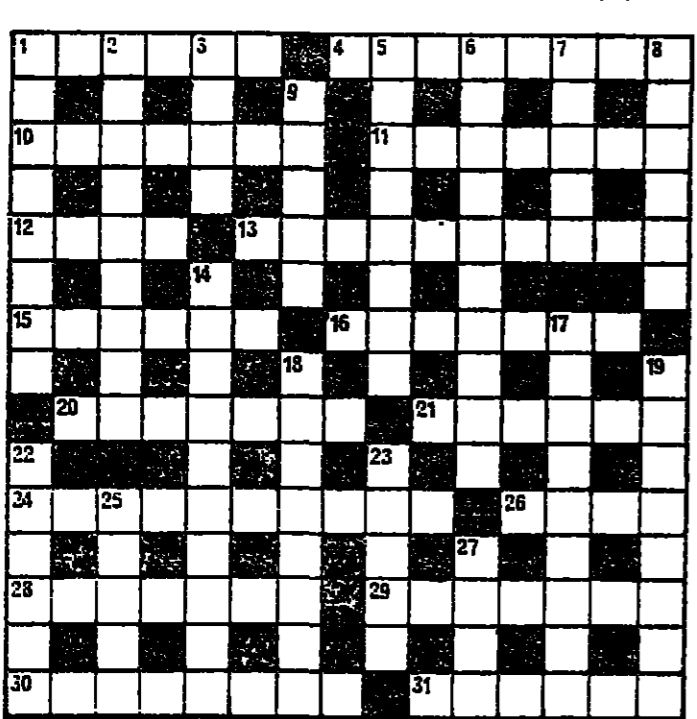
BBC 2

6.25 am Open University. 3.10 pm Saturday Cinema: The Diamond Queen starring Fernando Lamas.

REGIONS

18A Regions as London except at the following times: ANGLIA 11.00 pm Miss Universe 1984.

F.T. CROSSWORD PUZZLE No. 5465



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4A 3DF.

Name: Address:

ACROSS 1. 4, 10 Decide former minister's line—and keep it! (6-7)

Solution to Puzzle No 5464

SOLUTION AND WINNERS OF PUZZLE No. 5459

Mr R. Gedling, 27 Wallace Fields, Epsom, Surrey. Mr D. Chatterton, 34 Derby Road, Forest Gate, London E7.

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DOWN 1. Sacred part of Yorkshire has the edge on Helvellyn (8)

Chess Solution Solution to Problem 524 1 R-Q3, K-K4, 2 K-B7, P-K3; 3 K-N6, K-K5; 4 R-B6 mate—the well-known "Indian theme" in disguised form.

FINANCIAL TIMES BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY

Saturday July 14 1984

Decoupling in action

OF THE MANY dramas in the world's financial markets during the last few weeks, the most interesting may have been the one that didn't happen.

Defiance But the most fascinating non-event of the last few weeks has occurred in France.

Relaxed view Of course, the question of whether the dollar falls sooner or whether it falls later is not unimportant.

So far, the body-blows have been absorbed by the money-belts

fabulous returns against the background of inflation running at 5 per cent or so, and left many pension schemes in an extremely healthy financial state.

Quangos still at work

From Mr K Holland Sir—I have recently made enquiry of the Cabinet office with regard to the non-departmental public bodies—colloquially known as "Quangos"—and the reply I received may be of interest.

Thus the present "quangos" additional to the above-mentioned three, (those with expenditures over £1m) employ 71,009 staff. It should not be forgotten that these staffs require—in addition to salaries—such items as travel and subsistence monies, and office accommodation.

It is my impression that the public has no idea of this tremendous "quango" activity. Nor do I think that the Press and broadcasting media understand the scope of it.

Letters to the Editor

change been made to raise the lowest band to 1350 cc? It has not—the band is still at 1300 cc and, of course, it thereby favours cars manufactured by the U.S.-owned groups, large numbers of which are imported, but also from Spain.

Workplace ballots From the General Secretary, Transport and General Workers' Union

tax band From Mr E. Gurney Sir—On October 5 1981, at the time of the introduction of the Triumph Acclaim, you kindly published my letter complaining that the Inland Revenue had rather foolishly set the lower tax band for company cars below the engine size of 1350 cc.

Subsequent correspondence from Inland Revenue suggested that the company had represented this anomaly but had received little co-operation from the Inland Revenue.

The new Rover 200 series fitted with the Honda 12-valve engine of 1342 cc has now replaced the Acclaim and is an excellent vehicle for the company car market.

ONLY just over two months ago, the stock market bulls were still on the rampage in London.

How different it all looks now. In the face of the latest sterling crisis, and the associated dramatic interest rate movements which have seen bank base rates jump by 2½ points so far this month, the equity market has embarked on a new phase of the shakeout which began in May and early June.

At one stage on Thursday afternoon, the FT 30-Share Index was tumbling close to the 750 mark. There has been a rally since, but this index is still showing a decline of around a sixth from its peak, around a sixth from its peak.

So far these body blows have been largely absorbed by some well-filled money belts. The setback has amounted to nothing more than a negation of the profits already notched earlier in the year. It was not until this week that the FTSE 100 Index fell back below the 1,000 level at which it was fixed on the final trading day of 1983.

But many investors large and small have been well cushioned by fat profits made in the past year or two. Some of the institutional fund managers are inclined to murmur about the need for higher levels of liquidity—with cash again becoming an attractive, high-earning commodity at a time of declining securities prices.

A few figures will show why. In 1983 the average UK pension fund earned a total rate of return (income plus capital gains) of some 23 per cent on its typical mixture of UK and foreign equities, plus dividend and property. This followed 39 per cent in 1982. These were

happy about how the market will develop from here. They were a bit nervous about the high values in the spring—but now equities are again yielding over 5 per cent, and profits growth looks like being in the 15 to 20 per cent range for 1984.

"I still don't see any major collapse," says Bob Cowell, head of research at Hoare Govett. "The fundamentals of the corporate sector are pretty good."

David Fuller of Chart Analysis is now a confirmed bear, forecasting that equities will fall by something like a third from their recent peaks (in fact only an average sort of bear market by historical standards).

Are we really moving into something that could properly be called a bear market—or is it just a temporary correction of the kind which led to a 9 per cent decline in the All-Share Index between August and October last year?

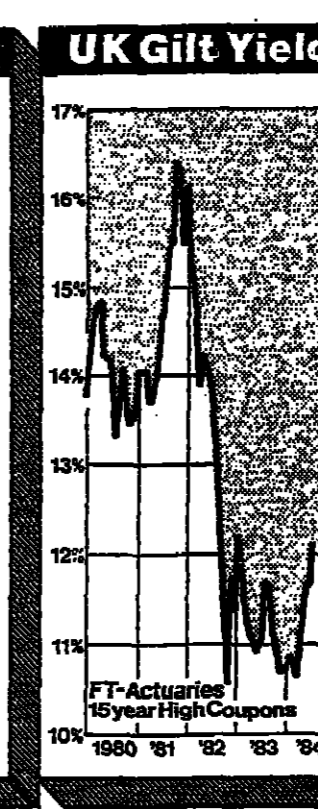
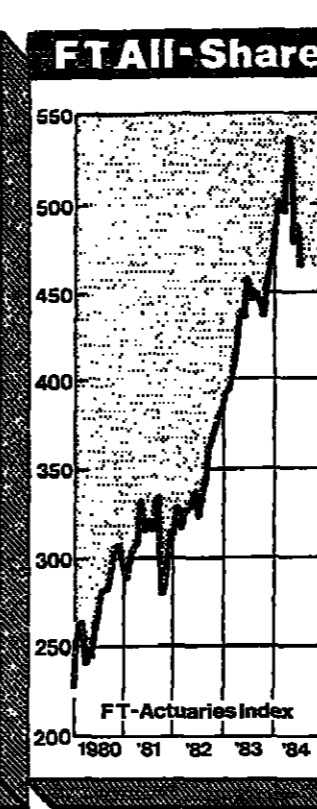
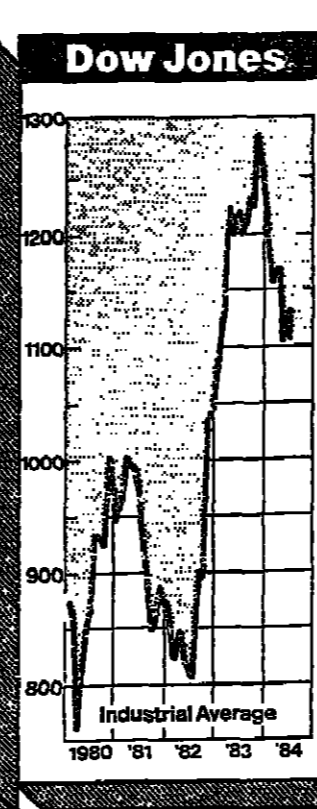
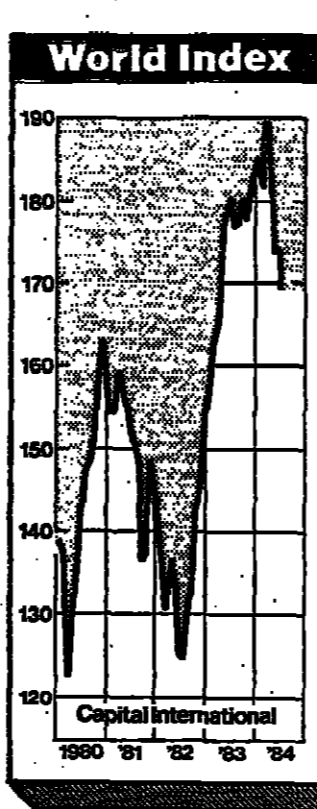
To make progress towards an answer it is worth looking, first, at the reasons behind the last surge in the bull market upturn, which took the All-Share from a temporary low of 426.84 last October to its May all-time peak of 535.71.

There are rigorous checks on voting all along the line. No one can vote without presenting a valid membership card, which is stamped to prevent double voting. The case referred to by Mr McMahon in Bristol was investigated by the regional scrutineers and the votes declared invalid before the ballot papers are placed in a sealed box and sent to regional office where they are counted.

The outcome of the election is a result which all the candidates accepted as fair, which produced a turnout of 43 per cent of our eligible membership—far higher than the European Assembly election and higher than recent postal ballots in the Electrical, Electronic, Telecommunications and Plumbing Union and the Amalgamated Union of Engineering Workers and which presents a forceful argument against compulsory postal ballots.

Members do not vote by show of hands at branch meetings as Mr McMahon suggests, but by placing their vote into a sealed ballot box. The vast majority of TGWU voters record their votes at the workplace during the one month voting period. It is this accessibility which is the major reason for the high turnout. Members who are unable to vote at their workplace or branch can record their votes at

Difficulties for importers From the Finance Director, Cable 190



The fall in UK share prices

A nervous London market licks its wounds

By Barry Riley, Financial Editor

against the background of rising profit expectations—company pre-tax profits turned out to have risen by as much as 35 per cent in 1983—and a bumper dividend season.

But there has also been concern over the Government's own performance. Early hopes of a convincing victory over the miners have been replaced by a far less glorious fudge. There has been no further progress in crucial economic indicators

like inflation and unemployment.

And most important, monetary policy is in something of a tangle. Measures which looked quite smart in the March Budget, such as the plan to raise in some £1.2bn later in the year through a change in the collection of VAT on imports, now seem to form part of a risky strategy.

With so much revenue bunched into the second half—

including the first instalment from the British Telecom flotation—the public sector borrowing requirement and the money supply have ballooned in the early part of the financial year.

Which brings us to this week's sterling crisis, with Building Society mortgage rates shooting up to the highest level for two years, and yields on some gilt-edged stocks now approaching 13 per cent.

It is possible to argue, as Mr Lawson did in Parliament this week, that these are just short-term fluctuations which will soon be ironed out. But there have been longer-term signs of strain in the gilt-edged market, which has been moving sideways, at best, for two years now.

And it would be quite wrong to assess stock market trends only from a domestic point of view. Portfolio investment is

increasingly a global affair, and the major world economies are closely interdependent. Significantly, Capital International's World Index (covering 1,100 companies in 19 countries) hit its high on the same day, May 3, as the UK equity indices—and the UK market carries only a 7 per cent weighting in the World Index.

Whatever the ups and downs of UK domestic politics, the realities of the international financial crisis must remain a key influence. The facts are that dollar interest rates—both short and long—are extraordinarily high, and still climbing, and that the world banking system has yet to face fully up to some uncomfortable realities.

The latest figures indicating surprisingly rapid expansion of the UK economy in the second quarter of the year have tightened the screw on the financial markets.

Therefore, the supposition is that only an agonising international financial crisis will lead to appropriate measures by the Americans and others. That crisis would be bound to drag down the leading world stock markets.

All that has been seen in the UK so far is a correction in a bull market, points out a partner

in one of the top banking firms, adding that the question of a bear market remains to be resolved. "All you've done is to knock the top off. There's still time for panic," he suggests.

Many City professionals agree that the bond market's now hold the key to the future. With gilt-edged yields well over 12 per cent and US Treasury bonds a point higher still, there is no practicable scope for equities to stage much of a rally on their own. The yield gap of over 7 points is too wide to allow equities to move off on a path of their own.

This might not be so true if inflation were expected to accelerate significantly. But although the increase in UK retail prices is likely to speed up slightly in the wake of higher import costs and the increased mortgage rate, there has been no rush to buy index-linked gilts in the way that might have been expected if the markets thought inflation would be a likely escape mechanism.

This leaves investors to wait for signs of a peaking out in long dollar bond rates—not an early prospect according to some Wall Street economists who fear a further advance to the 15 per cent area. To an unprecedented extent, US economic policies are driving up real interest rates around the world—clearly shown by the real yield of almost 4 per cent obtainable on index-linked gilts in the UK.

It is a rewarding phenomenon for pensioners living off their building society deposits, but is decidedly negative in its implications for share prices.

There is some irony in that on several measures British companies are now healthier than they have been since the 1960s. Borrowings are low in relation to assets, so that they can accept higher interest rates with a degree of equanimity (many companies will actually be beneficiaries because of their net holdings of cash). And returns on capital employed have risen sharply thanks to the productivity gains achieved during the recession and the benefits of subsequent increases in the level of output.

Such corporate prosperity rules out any risk of a serious 1974-style equity market collapse—which reflected a liquidity crisis and a collapse of real profitability. Moreover, share values are by no means outlandishly high with industrial shares selling on an average p/e ratio of around

11. Yet at the same time there is nothing to stop that figure dropping to 10 or 9.

The British economic upturn now appears to be at a fairly mature phase. Future growth in company profits and dividends seems likely to be at a much slower pace than recently. Historically, these have been warning signs of a dull period for the equity market.

Two months after a classic May peak, a sizeable part of the damage may already have been done. But true fear has yet to stalk the streets of a still well-cushioned City. It may never happen, yet the talk today among fund managers is of reducing exposure to the more volatile sectors in areas like consumer goods and construction and looking for investments which have more defensive virtues.

The upturn now seems to be at a fairly mature phase

Technical analysts are tending to paint a rather more bearish picture

easy to forget now, but the clearing banks cut their base rates just after the March Budget) and Nigel Lawson, the Chancellor, won high praise for reducing company taxes.

Since then, however, the stock market's confidence has been sapped by a series of problems. Some of them, notably the further jump in dollar interest rates and the weakness of the oil price, with its adverse consequences for the sterling exchange rate, have been purely external.

But there has also been concern over the Government's own performance. Early hopes of a convincing victory over the miners have been replaced by a far less glorious fudge. There has been no further progress in crucial economic indicators

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1984 City of London Festival Competition for Spoken Poetry. speak a poem. Greater London Poetry Speaking Competition. Judges to include Dannie Abse, Oliver Bernard, Alan Brownjohn, Gavin Ewart, Sally Grace, John Heath-Stubbs, Norman Hidden, Roger McGough, Betty Mulcahy, Fraser Stepi.

Handwritten signature or mark at the bottom of the page.

عزى اصوات اقوال

BY ALL conventional measurements, this has been an appalling week for the Government. Interest rates have gone up twice in the last few days, the mortgage rate went up by more than two points yesterday and the dockers have joined the miners on strike. There have even been rumours of plots against the Prime Minister.

One has to think back to the winter of discontent under Mr Callaghan in 1978-79, or the miners' strike under Mr Heath in the winter of 1973-74 to find anything comparable.

Longer memories may go back to 1967 when the pound was constantly under pressure, the dockers and the railwaymen were out together, Prime Minister Wilson was dashing about all over the place trying to keep the ship afloat, and sterling was eventually devalued.

Yet to recall the past should be enough to suggest that this time it could be different. That the Government is in serious difficulties cannot be in doubt. The outcome of the miners' strike is wholly uncertain; it is no less so for the dockers. It is unpleasant to have to raise interest rates, even if the reasons are largely external, at a time when you want to see sustained economic recovery. And no government likes being pilloried in the press for being generally incompetent.

There are, however, other ways of looking at what has been happening in the last few days. For a start, there has been no great panic. The economy probably is strong enough to bear a few temporary setbacks. Company liquidity and profitability are sound enough to put up with a few months of higher interest rates.

There are plenty of economists who believe that the slide of the pound is simply a welcome adjustment, especially against the dollar—it has slid much less against the D-mark. The country will not fall apart if there is a bad set of monthly trade figures, which was the nightmare of Harold Wilson.

All that is different from previous crises. The political circumstances are different as well. When the miners struck under Mr Heath, he saw it as a question of "who governs Britain?" called a unnecessary general election and lost.

Mr Callaghan, too, was in difficulties because of election timing. Had he called a general election earlier, there might have been no winter of discontent. It is most unlikely that Mrs Thatcher would have won such a large majority in 1978 as she did in 1979.

This time there is no question of an election forced or otherwise. Everybody knows that, barring something wholly unforeseen and unforeseeable, the Conservatives will be in office for the next three or four years. They have time to become massively unpopular, yet still to recover.

There is a difference again in terms of the parliamentary opposition. In the 1960s and 1970s it was still assumed that if a Labour Government failed, the Tories could come back and vice versa. It was a two-party system where the parties alternated in power.

Moreover, a party in opposition would set out to rejuvenate itself, bring itself up-to-date and dump the old ideological baggage. Labour did that under Hugh Gaitskell, though it was left to Harold Wilson to gather the fruits. Both Gaitskell and Wilson looked like alternative prime ministers.



POLITICS TODAY

An awful week, but no great panic

By Malcolm Rutherford

...a coherent body of thought that would enable it to win intellectual argument in the country. It can say that the Tories are in a mess, and many people would agree, but it has not been established that Labour has a better answer.

The Alliance probably does have an alternative Prime Minister in Dr David Owen, but that is quite different from being an alternative government: it still has very few troops. And the most notable fact about Dr Owen's politics is the way he seeks to capture the supreme compliment of imitation. He did it again in Mafloch yesterday in a speech to which we shall return.

Yet to discuss all this in terms of party politics alone is inadequate. Not everyone votes for the same party every time, or at all, and people do have memories. They remember the relative failures of successive governments: high hopes, then dockers' strikes, miners' strikes, pressures on the pound and the balance of payments and the administration generally blown off course.

When Mrs Thatcher first came to office, she was thought to be different. She sought to redress the balance of power between management and unions. For a time she was broadly successful. Two factors, however, have now come together.

One is the perception of the Prime Minister as a determined leader, trying to break with old British habits. The other is the collective memory that the British governments have nearly always backed down in labour disputes when it comes to a crisis. The record over the decades has been one of relative economic decline rather than sustained recovery.

is Mrs Thatcher's Government different from its predecessors, or not? It is at its sharpest in relation to the miners' strike.

It would be wrong to assume that the Government is necessarily losing. There is a very strong case for simply sitting it out and not panicking, especially when coal stocks are high and some miners are still working. No government has dared do that before for so long.

Besides, there has always been a certain ambivalence in the present administration's attitude to the use of the law regarding the trades unions. Even laws which it has itself introduced.

There have been three Secretaries of State for Employment under Mrs Thatcher: Mr James Prior, Mr Norman Tebbit and Mr Tom King. The first was "wet", the second "dry" and Mr King is in between. Yet what has characterised them all in the end is that they have all adopted the "softly, softly" approach.

in that context Dr Owen accused the Government in his Mafloch speech of having lost its nerve about its own legislation, and there is no doubt that that is a widespread feeling. But for the moment discretion is the order of the day.

Dr Owen said something else, talking about pit-closures. "Once the NCB starts to back off using clear-cut words like an economic alarm bells sound those who have watched successive governments retreat under pressure from industrial action."

That is the heart of the matter. The Government is under no great political pressure from the other parties, nor from its own benches. Nor is it under any great economic pressure that cannot be withstood. Indeed it has been this Government's great fortune that it has been in office when North Sea oil revenues have been around their peak.

No British Government for many years has been better placed to see out a major industrial dispute. I think it will, if only because failure would mean a recognition that nothing has changed. It would be the end of Mrs Thatcher, with no alternative government in sight.

tilted in favour of the unions, but the Government takes the view that it is up to the public at large whether the law should be used. (Mr King even had to be persuaded by the House of Lords to strengthen his current bill on the election of union officials by postal ballot, and he has still kept his amendments to the minimum.)

Yet the law has been changed and it was Mr Tebbit who introduced the most sensitive provisions to enable the courts to strike at the unions' funds. Anyone affected by the miners' abuse of secondary picketing could have recourse to it at any time.

One has the impression that this will not happen on any big scale, or at least not yet. The Government's position is not only that it is up to the individual to decide whether to seek redress through the courts, but also that it would need to be a pretty clear-cut case to be effective.

For example the British Steel Corporation has considered using the law, but has refrained from doing so because, one way and another, production has been kept going. British Steel would think again if it were stopped.

It is also pointed out that the use of the law could be unpredictable. It might have effects on the behaviour of other unions.

In short, the Tory legislation on the unions is a possible remedy for individuals with grievances, like Mr Eddie Shah in his printing dispute. It is a reform because such redress did not exist before, but it is not a wand that can be waved or automatically applied.

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Britain's Communications Revolution Cable television: from boom to gloom

By Raymond Snoddy

THE GOVERNMENT'S dream of a Britain linked by sophisticated cable, carrying data to business and entertainment to the home, is fading fast.

Just over two years after the Information Technology Advisory Panel (Itap) announced its vision of a "wired society" there is now a real possibility that the industry could collapse before it has begun.

As the Cable and Broadcasting Bill completed its passage through the Commons this week and the first four licences were issued to operators, there were fears that not all the 11 offered franchises by the Government last November would actually make it to the starting line.

As the stake is Britain's entry into the communications world of the next century and the estimated £3bn worth of business involved long-term investment of half of the country.

The most likely scenario is that most of the 11 will fail, says Mr Christopher Goodall, managing director of the Cable and Broadcasting Consultants, the management consultants.

The gloom is echoed by Mr Patrick Whitten, managing director of CIT Research, who warned earlier this year that cable would be "still-born" in the UK unless the Government took immediate and drastic action.

The only major Government concession—the extension of licences from 12 to 15 years—has seen as "too little, too late."

Why should cable seem to have such problems now? A major factor has been the Government's decision in the last Budget to phase out capital allowances. This is crucial for industry where almost all the investment is "up-front."

of the problems are real until we try it," he argues. Mr David Campbell, chief executive of Clyde Cable Vision, is about to put his chips down. The company, which has a Home Office licence to cable the area north of the Clyde in Glasgow, will issue a placing document to institutions in Edinburgh and the City of London. Clyde, which wants to start laying cable in December, has £2.5m committed and hopes to raise another £7.5m.

There are plenty of people who would like to run cable networks, and to sell equipment and programmes to them. The industry now has to win the confidence of enough institutions to pay for the heavy initial investment. Around £30m is needed to cable 100,000 homes.

However, a basic skeleton of cable programmes has already been set up, comprising two film channels and channels of general entertainment, pop music, sports and children's programmes. Rediffusion has had a take-up rate of 8 to 25 per cent with four channels of extra programmes on existing cable networks. Nearly 70 per cent of those subscribing to a trial service—a total of 13,000—has paid for Ten, the premium film channel.

But if there is to be a future for cable and a viable market for channels such as Ten, an enthusiastic response is needed to the second round of franchisees due in the autumn. At the moment potential licencees seem cautious.

At Investors in Industry Mr Peter Davies has noticed that there is much less interest than last year. Though 31 is still prepared to consider long-term minority stakes in second round companies, so far only a handful have come forward. Mr Ivor Cohen, managing director of Mullanor, the electronics company, and a member of ITAP, takes a longer view than most.

"I don't believe the boom and I don't believe the gloom now," he says. But Mr Cohen emphasises that it is the Government's responsibility to create the environment in which cable can operate. "Otherwise, we won't have a really effective information technology society," he adds.



Kenneth Baker, Information Technology Minister

enough cable networks to do it. But another, more optimistic view of cable was on display at the Cable 84 Conference and Exhibition at Wembley this week. This view, expressed by ministers, civil servants and prospective cable operators, was that the gloom had been exaggerated, that the bottom of the trough of pessimism had now been reached and that courageous entrepreneurs of vision could still make it happen.

The whole matter has become entangled with the privatisation of British Telecom. Some operators fear that the Government will make it too difficult for them to offer voice and data services at a competitive price.

The Government insists on total private sector funding—in marked contrast to the French

Weekend Brief

San Francisco's new earthquake

The trucks began rolling in early one Saturday morning. Search and rescue vehicles, horse trailers, fire engines with bomb disposal crews, swat teams armed to the teeth, vans full of dogs and dozens of sheriffs' cars all collected on the school playground.

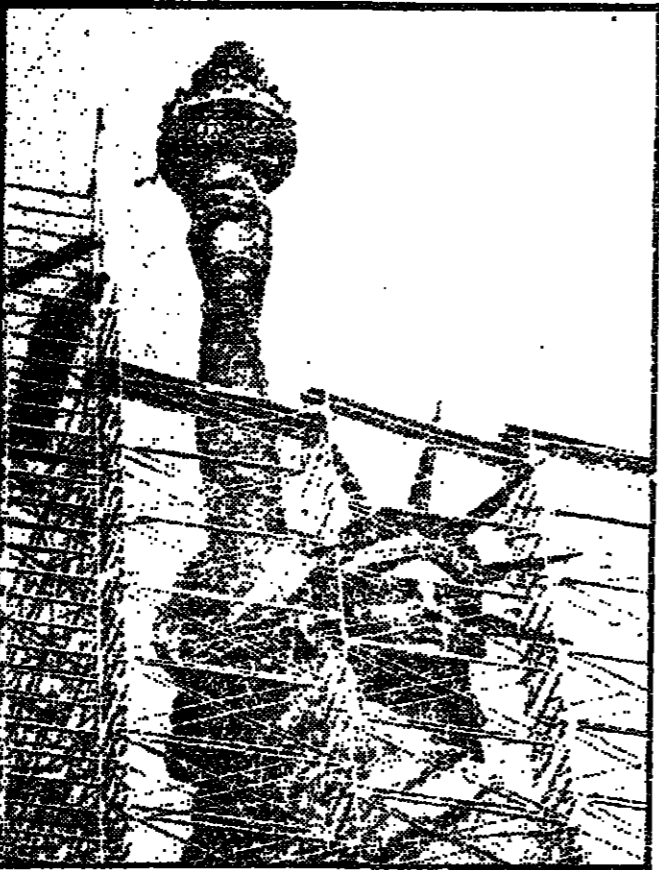
Several helicopters buzzed overhead. The 2,000 residents of this suburban community on the San Francisco peninsula began to wonder what was going on. The earthquake? A nuclear threat? By mid-day the word was out—"They are practising for the Democratic Convention."

San Franciscans are not looking forward to this event that will place their city in the spotlight next week. While they welcome the attention—tourism is big business in San Francisco—the disruption that will be caused by the convention is enormous. Commuters will be forced to park their cars in outlying city neighbourhoods and take to public transport to get to work. Offices in the city centre will close or keep flexible working hours to accommodate the anticipated pandemonium.

Traffic problems will be horrendous, even the San Francisco police admit. And there is the ever present threat of some sort of violence. Security precautions have played a major part in the months of preparation for the Democratic convention. The hundreds of thousands of visitors who are expected to enter the Golden Gate this week will probably be safer than any in recent years. The streets of San Francisco have been cleaned up. It is even safe to walk "south of Market"—a traditional no-go area for tourists.

Even the cable cars are running on schedule. Out of action for 18 months during a major overhaul and rebuilding project, the famous transportation system is once more providing a hair-raising ride up and down San Francisco's hills, bells clanging and proud conductors following.

The Moscone Center, named after the San Francisco mayor who was murdered by a city supervisor in 1978 is also ready for the onslaught of delegates. Almost 1,500 minor hitches have inevitably caused some frayed nerves. There was a strike (isn't there always?) that threatened to leave the delegates seated on the floor. Then there were complaints that



Liberty encased in scaffolding

Liberty gets a facelift

IN AN inspired moment, President Ronald Reagan put Mr Leo Iacocca, the man who rescued Chrysler, in charge of the \$230m campaign to save the Statue of Liberty for posterity.

The old lady, star of countless movies, and the inspirer of generations of immigrants, is now feeling her age. On Independence Day last week a large crane delicately lifted the famous beacon from where it has nestled in her upraised hand for the past 98 years and lowered it 150 ft to the ground.

But well before that, the scaffolding had gone up in the two-year effort to take the rust out of her joints in time for the centenary celebrations.

Mr Iacocca, unquestionably the most popular businessman in the U.S. after his heroic efforts as chairman of Chrysler, has been behaving true to form, beating the drum to great effect as much more than a

squarehead of the fund raising drive. After less than a year, \$100m has already been pledged for the joint scheme to refurbish the statue and Ellis Island, the immigration port where many newcomers first set foot on U.S. soil.

Mr Denver Frederick, director of fund raising for the campaign, reckons he will have garnered in the rest of time for the rededication ceremonies led by President Reagan, President Mondale, or whoever, in October of 1986.

If he achieves his aim, it will be a considerable improvement on the original finance. Liberty was dreamt up in 1885 by a French Republican nationalist.

Empire. They were anxious to raise a tribute to a country where freedom, as they saw it, still reigned. By the time the statue was put together, 50 years later, Louis Napoleon was gone. France was a Republic, and the funds were easily raised.

Over in the U.S., however, it proved virtually impossible to put the money together for the pedestal, and there was talk for a time that Liberty would go to Philadelphia. The way out of this impasse was found by a publicist who, in his day, was as celebrated as Mr Iacocca and his famous "Pulitzer" Prize fame, wrote an engaged editorial in the New York "World" about the right-headedness of the city's burgeoning moneyed class—this was, after all, the Gilded Age—and offered to print the names of all donors to the scheme.

rapidly refined for the campaign the so-called "cause related marketing" technique, whereby a company offers to contribute to a philanthropic scheme if the public uses its services. According to Mr Frederick, a three-month American Express promise to give one cent, for every time its card was used, along with other benefits, generated \$1.7m, while increasing use of the Amex card by 28 per cent. "The company believes it has been good for the organisation beyond the period of the campaign," says Mr Frederick. "I think there will be a wave of this type of marketing."

The expenditure on Liberty will go mainly towards replacing her original skeletal structure. Designed by Gustave Eiffel several years before his famous Parisian tower, and often seen as a harbinger of the iron frameworks used in the first U.S. skyscrapers, the metal structure is now badly rusted.

It will be taken down bit by bit and replaced with stainless steel. This is reckoned to be much more resistant to the electrolysis process which had been fatal for the ironwork in contact with the 33 copper panels that form the skin of the structure. These external sections need a little patching here and there, but will mainly be left in place, covered as before in green paint which has proved to be an excellent preservative.

The only bit of the statue which has proved impossible to restore is the beacon. It was so badly rotted that the campaign directors decided to replace it, although it will find a permanent home sheltered from the elements in the museum underneath the pedestal.

As the beacon was removed to the cheers of an admiring July 4 crowd, Mr Iacocca was on hand to deliver a simple, stirring speech on the Liberty theme. The Chrysler chairman, one of the most sought after guest speakers in the U.S., whose popularity is such that he could collect vast fees for telling fellow executives how to revamp another Chrysler, says he is giving his services to the campaign as a gesture to his parents.

They were both Italian immigrants, his father, arranging that he should be a genuine member of the "poor, huddled masses" commemorated in the declamatory verse on the pedestal. Years later, when his mother arrived, she struggled on deck suffering from typhoid fever to catch her first glimpse of the "grandest lady in the world." For Mr Iacocca the American dream is worth a speech or two.

Contributors: Louise Keogh Terry Dodsworth

BUILDING SOCIETY RATES

Table listing various building societies and their interest rates for different types of accounts and deposits. Columns include Society Name, Share %, and Sub'n %. Rows include Abbey National, Aid to Thrift, Alliance, Anglia, Barnsley, Birmingham and Bridgwater, Bradford and Bingley, Britannia, Cardiff, Catholic (Edinburgh), Century, Chelsea, Gheetham and Gloucester, Citizens Regency, City of London (The), Derbyshire, Gateway, Greenwich, Guardian, Halifax, Heart of England, Hemel Hempstead, Home, Lambeth, Leamington Spa, Leeds and Holbeck, Leeds Permanent, Leicester, London Permanent, Midlands, Mornston, National Counties, National and Provincial, Nationwide, Newcastle, Northern Rock, Norwich, Paddington, Peckham, Portsmouth, Portsmouth, Property Owners, Scarborough, Skipton, Stroud, Sussex County, Sussex Mutual, Thrift, Town and Country, Wessex, Woolwich, and Yorkshire.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Lennox recovers sharply to £1.2m

A FIRM and steady recovery is indicated in a rise in pre-tax profits from £342,000 to £1.1m by Lennox Group for the year to the end of March 1984, against the previous year to April 2 1983.

Mr D. P. Lennox, chairman, points out that the year has not been without difficulties and so would have liked to have been able to report greater progress. At the half-way stage this Merseyside-based group, which retails food and allied products through its supermarkets and stores, reported a turnover of £900,000 (losses £135,000).

Commenting on outlook Mr Lennox says that he anticipates a satisfactory outcome for the next half year. Many changes are taking place within the group which will result in a longer term improvement in return on capital employed and help the group's capacity to meet the challenges posed by competitors. He adds that although consumer spending has improved marginally on a national basis, the group is trading in an area most affected by recession.

The net final dividend has been lifted from 0.6p to 0.75p which raises the total from 0.85p to 1.05p. Turnover moved down from £94.5m to £91.3m. Mr Lennox says that a rationalisation programme continues through the year under review, with the closure of a supermarket in Sale, South Manchester. The licences from five winces and spirits stores have been transferred into nearby supermarkets and a further six stores which were no longer viable were closed.

At the beginning of the year trading started from in Garston, Liverpool, replacing the existing outlet in that area. Mr Lennox reports that this store is trading satisfactorily, and most of the shop units which complete the development have been let. An integrated warehousing and distribution system became operational during the second half of the year. A site at Maghull on the north side of Liverpool has been acquired for the construction of a supermarket of 22,000 square feet and nine individual shop units for letting.

comment
Although the figures suggest a recovery trend, there are still some worrying aspects to these latest results from Lennox, which has the misfortune of being located plumb in the midst of the depressed North West. The first is obviously the off-licence, where low demand and the customer trend of using supermarkets for their wine and spirit needs is forcing the company to close marginal independent sites and relocate some of them inside its supermarkets. The current pattern of trading will almost certainly force further closures. On the supermarket side, the picture is less critical, but the results do show a second half slowdown. This is not adequately explained but part of the reason is no doubt due to the extra overheads of "phasing" of the new warehousing and distribution system. Here there are similarities to the off-licence problem, where Lennox is being forced to cut out of its smaller, low-volume outlets. The aim, no doubt, is to end up with a smaller number of sites which are of greater average size capable of generating a much higher sales ratio per sq ft. The ideal trading profile in both divisions is still some way off, which raises questions over the short term. At 79p, down 1p, the shares are selling on a view of over 18-month asset stock looking for a takeover.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Contra. of spending	Total year	Total year
Bristol Stadium	0.75	Aug 9	0.9	0.9	0.9
Lennox Group	0.75	Aug 25	0.9	1.05	0.85
St Andrew Trust	0.25	Oct 1	0.2	0.75	0.2
Victoria Carpet	0.75		0.2	0.75	0.2

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ US\$ stock. § Unquoted stock.

LOF's secures two year reprieve with £8.6m rights

London & Overseas Freighters yesterday won two years breathing space when Hill Samuel arranged underwriting for a rights issue of £8.6m. That will provide sufficient liquidity until the March year end in 1986 and allows Williams & Glyn's and The Bank of Nova Scotia to extend the maturity of their loans to the tanker group.

But LOF's stressed that the outcome depends on the future course of freight rates, and ship values. Although the group has acknowledged that it would be in jeopardy without this new capital injection, it leaves the decision whether to take up the rights to shareholders' own judgement.

The rights issue is necessarily supported by the enormous gulf between net worth of £5.4m and borrowings of £45.25m. Shareholders are entitled to subscribe to four new preferred 1p ordinary shares at 4p per share for every 35p nominal ordinary share they already hold.

The exercise calls for the issue of 235m new preferred shares which will equal 80 per cent of the voting rights of the enlarged equity. In current conditions, the board, headed jointly by Mr Manuel Kukulundis and Mr Stanley Sedgwick, believes that LOF's would not be able to sell some of all of the tanker fleet to realise cash significantly in excess of the amounts secured on it.

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But there is no guarantee of such an improvement, or even that prevailing charter rates and vessel values will be maintained. In the event that no material upturn is forthcoming, LOF's warns further financial restructuring will be necessary which might necessitate the disposal of vessels in an adverse market.

The board has seen some improvement in trading conditions since the end of the second half of last financial year but, with losses of £10.31m the profit and loss account is barely improved. After accounting adjustments to the burden of repaying dollar and yen denominated debt, LOF's is carrying forward an attributable loss of £12.24m in the current year against a £25.09m deficit at the end of March 1983.

Turnround to profit for Victoria Carpet

THE encouraging trend Victoria Carpet Holdings reported last year produced a swing to a pre-tax profit of £687,330 for the year to March 31 1984, against last year's £38,024 loss.

This manufacturer and distributor of carpets is recommending a higher single dividend of 0.75p (0.2p) net. The company is a close company. Turnover rose to £22.4m, against £17.46m.

A tax charge of £12,657 (£23,898) and provision for deferred tax of £92,500 (nil) left attributable profits of £612,175 compared with a loss of £108,922 last year. The figure included a £47,200 loss on closure of the Axminster department of the company's Australian subsidiary. Dividends are to take £44,026 (£11,740). Earnings per ordinary 25p share were given as rising to 8.55p, against last time's 1.02p.

The directors report that the Australian company made a good recovery after a depressed result for 1982-83, and continues to progress. However, the UK market remains very difficult after a particularly discouraging last quarter.

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GKN pays £25m in agreed bid for Beck/Arnley

A GKN subsidiary has been granted options to buy 1m shares or 16 per cent of the existing share capital, as well as an option to acquire unused Beck shares which would take the GKN holding over 50 per cent.

GKN said it would finance the purchase from an existing pool of bank facilities in a variety of currencies. Beck's four executive directors will retain their management posts under the GKN plans, but GKN said there would be benefits from the combination of some commercial and operational functions of Beck and PIC.

In response to the bid, GKN's share price rose 1p to 185p, valuing the company at £248.2m. equivalent size to Beck, which had turnover of \$40.4m and pre-tax profit of \$2.3m in 1983. Worldparts is strong in the Central and South-eastern states, while Beck's interests are concentrated in New York and California.

Beck specialises in brake components and clutch assemblies, and plans to expand into electrical parts such as alternators and dynamos. Shareholders of Beck, which is traded on the London stock exchange, are being offered \$15 per share, compared with Wednesday's closing price of \$13.25. Beck's board is recommending the offer.

GKN already has a U.S. subsidiary Paris Industries Corp, which has tripled its sales over \$300m since it was acquired in 1979. A unit of PIC, Worldparts, is already involved in parts for imported vehicles, and is of Shareholders of Beck, which is traded on the London stock exchange, are being offered \$15 per share, compared with Wednesday's closing price of \$13.25. Beck's board is recommending the offer.

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Shuck acts on City criticism

Mr Ronald Shuck has responded to City criticism of his extensive involvement in two public companies, by arranging to sell his substantial interest in one of them, Associated Telecommunications, to a boardroom colleague.

The move follows this week's statement designed to stem a sharp share price fall, at his other quoted vehicle, Esply Trust, the West Midlands building group, for which Mr Shuck has been obliged to give assurances concerning the disposal programme and future dividend payments. Esply shares lost 1p yesterday to 32p.

Conditional terms have now been agreed whereby, given Panel consent to a Rule 34 waiver, on a compulsory full offer, Mr Shuck and Mr Trevor Homer sell an aggregate 38.5 per cent stake in Associated Telecommunications at 45p per share to raise almost £75,000 gross. The prospective buyer is Mr Hendrik van Eck who intends to build AT's instalment credit subsidiary, North Wales Trust, into a financial services group, arranging for the provision of any additional finance required to achieve that objective.

Mr Shuck, however, will be taking out the business systems operations he injected into AT last summer when he took control of what was then Associated Tooling Industries. Associated's shares climbed 5p yesterday to reach the proposed transaction value.

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Falcon acquires Bovis offshoot

Falcon Industries, formerly known as Jenks and Cattell, the building construction and tool manufacturing group, has acquired Wysepian, a subsidiary of Bovis for about £1.4m. Bovis is itself a subsidiary of Peninsular and Oriental Steam Navigation.

The funds from the placing will be used to expand the company's OTC operation. It currently trades in seven stocks and is planning a further 10 OTC Business Expansion Scheme placings.

Falcon has agreed to pay 80 per cent of Wysepian's estimated £1.6m asset value, with a maximum payment set at £1.5m. The purchase has been financed by the issue of 3.68m ordinary Falcon shares, which have been placed principally with institutional investors at a price of 38.5p each. Any remaining balance will be paid in cash. Wysepian, based in North Humberston, principally manufactures prefabricated buildings for industrial and commercial use. It made pre-tax profits of £240,000 on turnover of £9.58m in 1983, compared with a loss of £120,000 on turnover of £7.23m in 1982. Falcon is already in the building construction business with its subsidiary Elliot-Medway

Consequently, but has primarily served local authorities with projects such as school construction.

Wysepian is involved in the primary sector of industry and also has some overseas contracts, so we think it will fit in well with our existing business," explained Mr Terry Leech, managing director of Falcon. Falcon has also acquired the lease on Wysepian's freehold property. Bovis will cover Wysepian's current debtors and creditors.

Consequently, but has primarily served local authorities with projects such as school construction.

Leech still urges bid rejection

Mr William Leech, the founder and president of the company who has the power of veto over a 29.7 per cent stake held by The William Leech Foundation in the housebuilding group, has again reported to be adverse to the bid although he has still not been able to discuss it with the board of the Foundation.

The Foundation's stake looks to be becoming increasingly important to the outcome but its destination will not be decided finally until the board, advised by Morgan Grenfell, meets Mr Leech next week.

The beneficiaries of the Foundation are five charities and, as the defending board sees it, Beazer's proposal, if examined, in essence to obtain from the charities assets worth £10.6m, in return for £6.66m cash. The result would be that far from the benefit of Mr Leech's generation going to charitable good works, the difference of £4.14m will go into Beazer's pocket, for the benefit of Beazer and its shareholders.

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Country Gentlemen rescued

A LIBERAL peer — or rather the trustees for his children — has rescued the Country Gentlemen's Association from its unwanted predators. The "trustees of Lord Teulaw's Settlement" have disclosed a 24 per cent stake in the Association.

Mr Peter Earle, CGA chairman, said yesterday: "We are very happy to regard him as a friendly entity." Lord Teulaw, a member of the Incheape family, has been a shareholding member of the CGA for 20 years.

The trustees' stake, totalling 175,650 shares, includes an 11.3 per cent holding recently acquired by the Atlanta Investment Trust and a 9.6 per cent stake bought later by Edinburgh Financial Trust. Both were interested in offering their financial services to the CGA's 32,500 members.

The CGA was once a mail order firm supplying gardening equipment, but has become principally a financial services concern providing insurance, financial and other advice for its members, as well as a monthly magazine. It has sought to protect the impartiality of its services, and therefore opposed a tender offer by Atlanta in June for 29.9 per cent of the company. The tender, for 218,000 shares at 25 each, won Atlanta an 11.3 per cent holding. Immediately afterwards Edinburgh Financial bought its smaller stake.

Mr Earle met representatives of both companies, Edinburgh said its stake after "no bid" and he said the Board could be found for the development of interests mutual to both companies.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

An offer for the most favoured bid target in the composite insurance sector duly arrived on Wednesday when Sun Alliance and London Assurance announced that it was prepared to pay nearly £400m for Phoenix Assurance. Sun's agreed offer of 650p per share cash came after its subsidiary, Sun Insurance Office, had already bought a 24.3 per cent stake in Phoenix from Continental Corporation of the U.S.

Rio Tinto-Zinc was successful in raising its Stake in Enterprise Oil to 29.8 per cent. When its tender offer closed, it had paid a lower-than-expected price for an additional 32m Enterprise shares. They cost 104p per share against the maximum tender price of 110p. This compares favourably with the 105p paid in a "dawn raid" for a 4.7 per cent stake in Enterprise and the 100p at which it obtained its initial 10 per cent holding in the Government's offer for sale.

Mr Robert Maxwell has succeeded with his latest effort to break into ownership of Fleet Street newspapers. Via his company Pergamon Press, he is paying Reed International £113.4m for Mirror Group Newspapers. Mr Maxwell also gets MGN's 5.2 per cent stake in Reuters plus a 5.3 per cent holding in Press Association which owns a further 10.6 per cent stake in Reuters. Reed said that the deal would yield net proceeds of £90m, well above City estimates of what MGN might have raised if Reed had pursued its original plan to float MGN on the Stock Exchange.

Thorn EMH has agreed to pay £95m cash for the Government's 78 per cent holding in Immos, the microchip manufacturer. The Government has invested £65m in Immos since 1978. In the fourth quarter of last year, Immos made a small profit after six years of losses. It expects to make profits of around £15m this year on the back of the continued boom in world microchip demand. Thorn intends to develop Immos's worldwide business along current management lines. The deal ends months of uncertainty about the future ownership of Immos.

Company bid for	Value of bid per share*	Market price**	Price Value before of bid bid £m**	Value of bid £m**	Bidder
Castfield (Klang)	£10.79†	975	925		Hrnsn Myln Plants
Coleman Milne	80†	60	58	9.59	Middepa
Cornwall	77†	75	55	44.19	Trefzagar House
Cope Allman	85†	91	98	34.87	Middepa
Copydex	200†	197	155	6.10	Becham
De Vere Hotels	320†	305	307†	44.52	BET
Dornacade	361†	333	340		Hrnsn Myln Plants
Fennar (J. E.)	133†	138	114	34.21	Hawker Siddley
Grindlays	275†	280	185	181.35	ANZ
Hadland	145†	140	140	4.83	Xenotron
Hales (J.)	58†	58	75	13.06	British Synphon
Harrison Cowley	160†	160	180	7.30	Saatchi & Saatchi
Initial	855†	452	404	172.38	BET
Jesta Turnbee	93†	91	95†	18.98	Narcantile House
Kinella Kellas	373†	353	475		Hrnsn Myln Plants
Leech (Wm)	145†	116	100	21.8	Beazer (C. E.)
Lincroft Kilgour	125†	107	106	4.39	Finlan (J.)
Maccpherson (D.)	340†	338	109	25.35	Tikkurila V. Oy
Malaysia Rubber	149†	140	190		Hrnsn Myln Plants
Marshall Rivers	60†	42	46	9.76	Grovebell
Midsummer Inns	215†	225	155	1.25	withland Leisure
Phoenix Asse	650†	620	472	196.63	Sun Alliance
Priest Marlan	450†	500	575	0.37	Mr Simon Fussell
Silverthorne	50†	50	41	1.75	Ucnochro
Sogomana	707†	675	520		Hrnsn Myln Plants
Sungei Bahru	328†	310	210		Hrnsn Myln Plants
Woodruff	112†	115	89	5.78	Marchwiel
Woodward (H.)	76†	75	56	1.82	Bridgeford Process

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. † Unconditional. ‡ Loan stock alternative. ** Based on 10/7/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ††† Related to NAV to be determined. †††† Loan stock.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Assoc Newspapers	Mar	8,360 (7,000)	4.5 (4.5)
Bett Brothers	Feb	616 (320)	1.2 (1.0)
Bio-Isolates	Mar	162L (111)L	(—)
Birmd Quicfast	Apr	4,780 (2,010)	0.66 (0.33)
Denmas Elect	Mar	475 (—)	(—)
Greenfields Lels	Apr	170 (94)	0.25 (0.25)
Greenfield Group	May	417 (304)	0.25 (—)
Imperial Group	Apr	90,700 (79,100)	3.0 (2.75)
McHallen & Sons	Mar	927 (1,170)	(—)
Neil & Spencer	Mar	473 (421)	(—)
Ozald Grp Hldgs	May	558 (440)	(—)
Rank Organisation	May	47,800 (37,500)	4.8 (4.0)
Seairgard	Apr	322 (235)	(—)
Southern Bus Leas	Mar	710 (548)	0.75 (—)
Tace	Mar	1,010 (444)	1.5 (1.0)
TSL Therm Syn	Apr	376 (722)	(—)
Webber Electric	Mar	221 (153)	1.2 (1.0)

* Figures in parentheses are for the corresponding period. † Dividends are shown net pence per share, except where otherwise indicated. L Loss.

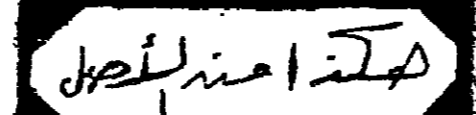
PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Birmingham Mint	Mar	334 (660)	13.0 (24.1)	10.5 (10.5)
Brengren Hldgs	Mar	2,440 (1,880)	4.7 (3.6)	1.4 (1.0)
Bromsgrove Cast	Mar	255 (140)	2.6 (1.0)	2.75 (2.0)
Bulgia, A. J.	Jan	42 (759)	(—)	1.5 (0.77)
Bulmer, H. P.	Apr	16,090 (13,320)	21.1 (19.6)	4.9 (4.2)
Butterfield Harry	Mar	108 (583)	(—)	(—)
Carls Eng	Mar	2,900 (2,900)	31.1 (21.1)	5.6 (4.55)
CMJ Microsys	Mar	912 (404)	6.3 (3.1)	(—)
Crown House	Mar	5,150 (3,830)	13.2 (10.8)	6.4 (5.75)
Dewan Hldgs	Mar	12,830 (8,930)	45.3 (26.5)	12.5 (5.75)
Delmar Group	Mar	248 (215)	2.8 (2.5)	2.6 (—)

* Dividends are shown net pence per share, except where otherwise indicated. L Loss.

Scrip Issue

Company	Value of bid per share*	Market price**	Price Value before of bid bid £m**	Value of bid £m**	Bidder
Axis Securities	55†	53	43†	13.82	Guardian Ryl Ex



Offers for sale, placings and introductions

Amari returns to the stock market via an offer of 12.16m shares at 110p per share. Britannia Security/USM offering of 1.76m shares at 1.82m per share. Compost—USM offer for sale by tender of 692m shares at a minimum price of 130p net per share.

UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

The market has been well warned in advance that the full year figures to end March from Distillers — due on Thursday — will be pretty dreadful. Industry volume of Scotch in the second half was down by 10.12 per cent...

Murdoch admits to talks on offer for St Regis

MR RUPERT MURDOCH, the Australian publisher, admitted for the first time yesterday that he had discussed the possibility of making a hostile partial tender offer for St Regis, the U.S. paper and forest products group...

IBM posts 21% jump in second quarter

INTERNATIONAL BUSINESS MACHINES (IBM), the world's largest computer manufacturer, has extended its solid record of quarterly earnings advances by posting a 21 per cent rise in second-quarter net profits.

Norway aluminium deal considered

NORSK Hydro and Aardal of Sunndal, two of Norway's largest industrial groups, are in talks about co-operation in order to strengthen aluminium sales abroad.

Private aid proposal for CI

DREXEL BURNHAM LAMBERT, the Wall Street investment firm, is understood to be working on a proposal which would involve a group of private investors making a major investment in the financially troubled Continental Illinois bank.

Japan securities houses extend client services

By Robert Cottrell in Tokyo JAPANESE Securities Houses are to offer customer services through local bank branches, under two schemes announced yesterday.

German group may enter the bidding for Richier

THE FRENCH government's efforts to attract industrial buyers for the country's No 2 construction equipment group, Richier, which went bankrupt in May, is fast resembling a poker game.

AT & T in Taiwan joint venture

AT&T's cabinet has finally approved a \$40m joint-venture between American Telephone & Telegraph (AT&T) of the U.S. and three Taiwan state-owned organisations to produce digital telecommunications switches.

Porsche sees higher profits

PORSCHE, the West German sports car maker, expects improved profits this year despite the effects of the metalworkers' strike.

Ciba-Geigy expects further rise in earnings this year

CIBA-GEIGY, Switzerland's leading chemical concern, expects a further rise in earnings for the current year following a 25 per cent increase in group profits to SwFr 776m (\$323m) in 1983.

Singer plans float in Malaysia

SINGER SEWING Machine of the U.S. has restructured its Malaysian operations and is to sell 51 per cent of the business to Malaysians for an estimated 58m ringgit (U.S.\$ 25.2m).

Economic Diary

MONDAY: Retail sales (June provisional). Average earnings indices; employment hours and unit wage costs (May provisional). British Telecom publishes annual report. EEC ministers meet in Brussels on the 1985 budget.

BASE LENDING RATES

Table listing various banks and their lending rates, including A.B.N. Bank, Allied Irish Bank, Amro Bank, etc.

Table of company dividends for the next week, listing companies like Baxi, British Electric, Brunning Group, etc.

Table of company dividends for the next week, listing companies like British Kidney Patient Association, Child Health Research, etc.

Table of company dividends for the next week, listing companies like British Kidney Patient Association, Child Health Research, etc.

Gomba purchases 14.99% interest in Toye & Co. BY CHARLES BATCHELOR Gomba Holdings UK, Mr Abdul Shamji's diversified manufacturing and trading group, has taken a 14.99 per cent stake in Toye & Co., the maker of civil and military regalia and jewellery.

Granville & Co. Limited Member of NASDLM 27/28 Lovat Lane London EC3R 9EB Telephone 01-621 1212 Over-the-Counter Market Table with columns for Company, Price, Gross Yield, P/E, Fully.

1944-1984 40 YEARS ON! THE ARMY BENEVOLENT FUND Many were lucky—but some were not. For them or their dependants, the years since 1944 have been long and difficult. For some the problems are just beginning. Please help us to help them. A donation, a covenant, a legacy to THE ARMY BENEVOLENT FUND will help soldiers, ex-soldiers and their families in distress. DEPT. FT, 41 QUEEN'S GATE, LONDON SW7 5HR

BANQUE INDOSUEZ U.S.\$150,000,000 Floating Rate Notes due 1990 In accordance with the terms and conditions of the Notice, NOTICE IS HEREBY GIVEN that for the six month period from July 13, 1984 to January 14, 1985, the notice call carry of the above rate of 12 1/2% coupon amount so calculated will be U.S.\$330.85.

WORLD STOCK MARKETS

NEW YORK

Table of New York stock market activity, listing various stocks and their prices.

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WALL STREET

Rally on oversold condition

STOCKS ADVANCED in early trading on Wall Street yesterday, propelled by an oversold technical condition and firmness in the Bond Market.

Unocal Corp jumped 55¢ to \$61 on \$30 million shares following takeover rumors.

Unocal Corp jumped 55¢ to \$61 on \$30 million shares following takeover rumors. Traders said this is a rumormonger that Standard Oil Co. of Indiana or Mesa Petroleum might be interested in Unocal, which is the old Union Oil Co. of California.

After initial small gains in the opening, prices rallied more substantially toward the middle of the session.

After initial small gains in the opening, prices rallied more substantially toward the middle of the session. All sectors registered gains, although Machinery, Power, Stone and Utility stocks performed more weakly.

HONG KONG

Share prices dropped across the board in Hong Kong yesterday. The Hang Seng Index fell 17.75 to 745.02, a nine-month low for the second time this week.

PARIS

French shares were mixed to slightly firmer, due to lower dollar and a smaller than expected overnight fall in share prices on Wall Street.

Indices

Table of various stock indices including Dow Jones, NYSE, and others.

NEW YORK

Table of New York stock market activity, listing various stocks and their prices.

STANDARD AND POORS

Table of Standard and Poors stock market activity, listing various stocks and their prices.

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CANADA

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AUSTRIA

Table of Austrian stock market activity, listing various stocks and their prices.

GERMANY

Table of German stock market activity, listing various stocks and their prices.

NORWAY

Table of Norwegian stock market activity, listing various stocks and their prices.

AUSTRALIA (continued)

Table of Australian stock market activity, listing various stocks and their prices.

NETHERLANDS

Table of Dutch stock market activity, listing various stocks and their prices.

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NOTES

NOTES - Prices on this page are based on the closing prices of the individual securities and are subject to change.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar slips

The dollar lost ground in currency markets yesterday. Fresh economic data provided sufficient pause for thought and some people took the opportunity to unwind long dollar positions ahead of the weekend. A rise in U.S. retail sales suggesting a robust economy was outweighed by wholesale prices, as measured by the producer price index, showing an unchanged rate for the third consecutive month. This suggested that despite the pace of economic growth, inflation was well under control and that the Federal authorities may not feel too pressured into pushing interest rates firmer. The dollar slipped to DM 2.5205 from DM 2.5480 against the D-mark and SwFr 3.3990 from SwFr 2.4680. It was also weaker against the yen at 2241.50 from 2342.60 and FF 8.7058 compared with FF 8.7350. On Bank of England figures, the dollar's trade weighted index fell from 136.5 to 136.1. Sterling benefited from the dollar's decline and was also underpinned by increased hopes of an early settlement to the

Rates ease

Interest rates were lower in London yesterday. Sterling showed a much better performance after its recent fall to record levels and there was speculation of an early end to the trend strike. The dollar's weaker trend also helped. Three-month interbank money was quoted at 12.5-12.75 per cent, unchanged from Thursday although in afterhours trading for Monday settlement, the rate dipped to 11.75 per cent from 11.1 per cent. Weekend interbank money opened at 12.12 per cent and touched a high of 13 per cent before slipping away later in the day with quotations of 11 per cent. An increase in bids for the £100m of Treasury bills on offer

LONDON MONEY RATES

Table with columns: July 13 1984, Starting rate, Local Authority Deposits, Company Deposits, Market Deposits, Treasury Buy, Treasury Sell, English Bank Buy, English Bank Sell, Fine Trade Buy, Fine Trade Sell.

Discount Houses Deposit and Bill Rates

Table with columns: July 13 1984, Starting rate, Local Authority Deposits, Company Deposits, Market Deposits, Treasury Buy, Treasury Sell, English Bank Buy, English Bank Sell, Fine Trade Buy, Fine Trade Sell.

THE POUND SPOT AND FORWARD

Table with columns: July 13, Day's spread, Close, One month, Three months, % p.a. Three months.

UK clearing banks' base lending rate 12 per cent

at yesterday's weekly tender may have reflected a slight return of confidence with applications totalling £581.8m up from £370.27m the previous week. The minimum accepted bid was 137.15 per cent at that level as to about 55 per cent and above in full. All bids offered were allotted. The average rate of discount rose to 11.3988 per cent from 9.8082 per cent its highest level for two years. Next week a further £100m will be on offer.

FT LONDON INTERBANK FIXING

Table with columns: One month, Three months, Six months, One year, Local Authority Deposits, Company Deposits, Market Deposits, Treasury Buy, Treasury Sell, English Bank Buy, English Bank Sell, Fine Trade Buy, Fine Trade Sell.

THE DOLLAR SPOT AND FORWARD

Table with columns: July 13, Day's spread, Close, One month, Three months, % p.a. Three months.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: July 13, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Kroner.

EXCHANGE CROSS RATES

Table with columns: July 13, Pound Sterling, U.S. Dollar, Deutsche m/k, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

OTHER CURRENCIES

Table with columns: July 13, Argentina Peso, Australia Dollar, Brazil Cruzeiro, Denmark, Finland Markka, Greece Drachma, Hong Kong Dollar, Iran Rial, Kuwait Dinar, Luxembourg Fr., Malaysia Dollar, New Zealand Dollar, Saudi Arab. Riyal, Singapore Dollar, Sth African Rand, U.A.E. Dirham.

WEEKLY PRICE CHANGES

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

REVIEW OF THE WEEK

Commodity prices fell sharply yesterday, in spite of encouraging news that U.S. grindings rose by 1.6 per cent in the second quarter this year compared with 1983. Earlier higher-than-expected grindings figures were announced by UK, up 20.5 per cent, and West Germany, up 18.4 per cent. Some of the rise in grindings is attributed to reducing bean processing in producing countries, but there is an underlying upward trend in consumption. Nevertheless, speculators greeted the U.S. grind figure as an opportunity to take profits. The September position closed £33 down at £177.5 a tonne. Conversely, on the world sugar market values ended the week on a firmer note, in spite of Brazil announcing it would step up exports next year following the failure to negotiate a new International Sugar Agreement in Geneva last month. The market dropped to the lowest level in dollar terms since 1971 on Thursday, after having recovered earlier in the

AMERICAN MARKETS

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

COMMODITIES AND AGRICULTURE

Producers cut halt aluminium price fall

Aluminium prices rallied further on the London Metal Exchange yesterday following news that another European producer, Vereinigte Aluminium-Werke (VAW) of West Germany, plans to cut smelter production in the fourth quarter. Earlier, Pechiney had announced it was reducing output in Europe, in line with U.S. cutbacks, to help halt the rise in world stocks. Earlier in the week news that world aluminium stocks had increased again in May had driven the aluminium cash price to \$865.5—its lowest level since March 1983. The market then rallied to close at \$891.5 a tonne 27 cents a week ago. Copper moved steadily higher, shrugging off the early collapse in the gold market; U.S. producer price cuts; and fears of higher interest rates. Reports of Chinese buying and a further decline in warehouse stocks pushed the cash price up by \$33 on the week to \$1,014.5 a tonne. Cash lead rose by \$20 to \$270 a tonne, boosted by Mimeri Peru declaring force majeure on shipments because of a prolonged strike. Zinc values, however, fluctuated wildly before ending the week on an easier note. Metallgesellschaft, the West German smelter, initiated a further cut in the European zinc producer price from \$1,050 to \$990 a tonne, effective yesterday. Cominco and Noranda, of Canada, also fell into line.

BASE METALS

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

COCA

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

COFFEE

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

LONDON OIL

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

NICKEL

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

COFFEE

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

INDICES

Table with columns: Index Name, Value, Change on week, 1984 High, 1984 Low.

SPOT PRICES

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

TIN

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

COFFEE

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

INDICES

Table with columns: Index Name, Value, Change on week, 1984 High, 1984 Low.

GOLD MARKETS

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

SILVER

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

COFFEE

Table with columns: Commodity, Price, Change on week, 1984 High, 1984 Low.

INDICES

Table with columns: Index Name, Value, Change on week, 1984 High, 1984 Low.

LONDON STOCK EXCHANGE

MARKET REPORT

Markets calmer as sterling rallies—Gilts steadier but 30-share index closes 48.6 down on the week

Account Dealing Dates

First Declara- Last Account Dealings Date... 28 June 28 June 29 July 9 July 16 July 26 July 27 Aug 6

A traumatic week in London financial markets ended on a silver note yesterday. Nevertheless, conditions remained extremely sensitive with dealers only too glad to close their books on a trading account which saw equity values plummet in the face of dearer credit and labour problems.

A distinctly better trend in sterling yesterday and a more hopeful outlook on the docks dispute encouraged dealers to open leading shares higher, but quotations drifted back on the lack of any worthwhile follow-through support.

A subsequent rally following the announcement of a formula aimed at ending the dock strike, however, left quotations little altered on the day. Measuring the day's fluctuations, the Financial Times Industrial Ordinary Share Index, up 5.3 at the first calculation, drifted back to show a loss of 7.3 at 1 pm before closing 0.1 down on the day at 770.7 for a fall of 62.8 over the last six trading sessions.

Consumer shares, particularly Stores, remained under a cloud and soon ran into selling following confirmation of a sharp increase in the mortgage rate to 12 per cent. When a dividend of 2.5 pence was announced, Government securities also took heart from sterling's recovery against the dollar and most other European currencies. This resulted in easier money markets and Gilts improved unitarily throughout the day on a steady buying interest. Short-dated issues recorded gains of around 1% and sometimes more, while rises at the long end of the market ranged to 2%. Trading conditions were relatively quiet, but interest was evidenced in the late afternoon when a dividend enabled the Government to buy Treasury 11 1/2 per cent 2001-4 at 102 1/2. The Government secur-

ties index recorded a small improvement of 0.30 at 76.74. On the week, however, the index showed a loss of 1.05.

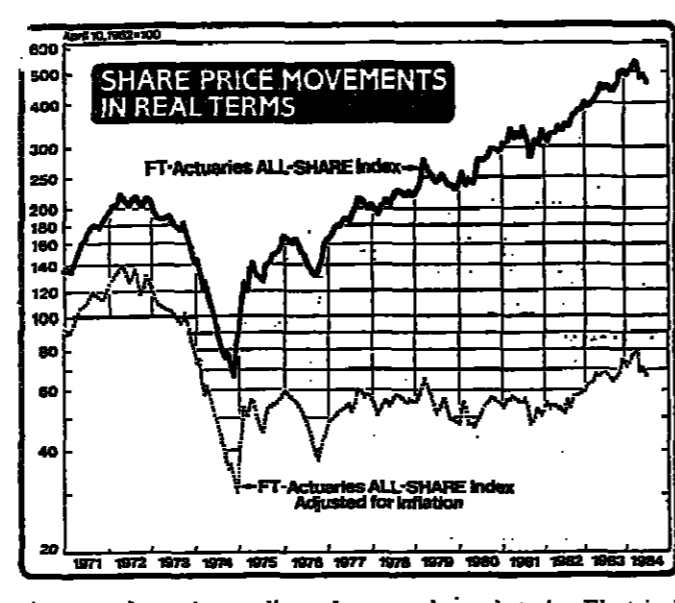
Phoenix easier

Conditions were somewhat quieter in the Composite Insurance sector after Thursday's bout of speculative activity which followed Sun Alliance's agreed 550p per share cash offer for Phoenix. Having soared to 150 immediately on the offer, Phoenix retreated to 620p, after 615p, on sporadic profit-taking and vague suggestions that the bid could be referred to the Monopolies Commission; SA rallied 4 at 347 1/2.

Continuing to respond to the increasing lending rates, the major clearing banks made 1 1/2 initially before closing 3 cheaper on balance at 213p. General Accident, on the other hand, put on 4 to 442p and Royal added 12 at 462p. Elsewhere, Sun Life, which fell of late on a bid hopes, relinquished 10 to 630p following the half-year new life business figures.

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Stores erratic One of the more depressed sectors this week reflecting persistent worries about future levels of consumer spending, major retailers opened on a firm footing as dealers marked prices higher. The rally proved short-lived however, a confirmation of the 2 1/2 per cent mortgage rate increase prompted fresh selling. Thereafter, another lively and volatile trade developed before prices steadied towards the close although most still recorded substantial losses over the week. Woolworth fared relatively well, rising 1 1/2 to 423p—but remained down 45 over the last five sessions. House of Fraser firmed 6 to 232p, but Burton, up to 220p at the outset, finished 4 off on the day at 111 lower on the week at 214p.



After fluctuating narrowly around the overnight level of 533p, ICI turned dull reflecting the share price performance of Wall Street and the close was a net 6 down at a 1984 low of 532p, making a fall on the week of 26.

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banks in preference to the short term support currently being made available.

Dull earlier in the week on fears of reduced consumer spending, some Food retailers staged a modest rally. J. Sainsbury improved 8 to 489p, but northern-based Associated Dairies remained under pressure and shed 4 more to 152p. Lennox's annual profits failed to match best estimates and the shares slipped a penny to 39p, but Amos Hinton, which earlier in the week commenced a merger approach, advanced another 15 to 320p. Elsewhere, Pyke Holdings attracted revived speculative demand and moved up 28 to 250p in a restricted market.

AB Ports recover

Hopes of a peace formula in the dock strike boosted Associated British Ports which jumped 23 to 205p. Elsewhere in miscellaneous industrials, Tey advanced 23 to 125p on the announcement that Gomba Holdings UK has increased its 15 per cent stake in the company. Associated Telecommunications rose 5 to 45p following news that Mr H. A. Van Eck, a director of the company, is to increase his stake from 5 to 39.5 per cent.

Gold up again

Mining markets ended a difficult week on a firm note. The recent turbulence through-out currency and precious metal markets abated considerably and falling interest rates encouraged buying and moved up to touch 3247 an ounce before closing a net 32.7 firmer at 3244.75—a rise of 32.25 over the week. South African Golds were much quieter than in recent days. A further weakening in the rand against the dollar encouraged widespread selling from Johannesburg but this was more than offset by good buying from Continental and London sources. Consequently, the price of golds made further progress and closed at 324.45 an ounce, a rise of 9.4 to 548.2 on both the day and the week. South African Financials gave a positive response to the continued strengthening of the pound. Anglo-Downing ahead of close 1 1/2 firmer at 75p. De Beers were 3 to the good at 460p—only 8 easier over the week—following the half-year diamond sales figures announced last Monday.

Hopes of a breakthrough in the docks dispute improved sentiment among Shippings. P and O Defender advanced 8 to 291p while Ocean Transport, in receipt of "call" option business, rose 6 to 109p. Dealings in London and Overseas Freighters, suspended at 8p on Thursday, were resumed at 5 1/2p following the proposed 25.6m rights issue and preliminary results. Amos Hinton, which was quoted 3 1/2 lower at 14p ex-rights issue; the new nil-paid closed at 2p premium.

Berkeley advance

Leading Oils recovered from an uneasy opening and closed with minor but widespread gains, boosted by bear closing, BP and Britoil ended the day with gains of around 5 at 455p and 221p respectively. Secondary issues provided a good deal of excitement, most notably Berkeley Exploration which jumped 23 to 110p amid rumours of an oil discovery in conjunction with Petrolex, up 7 at 78p.

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FINANCIAL TIMES STOCK INDICES

Table with columns for July 23, July 24, July 25, July 26, July 27, July 28, July 29, July 30, and Year Ago. Rows include Government Secs, Fixed Interest, Industrial Ord., Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns for 1984 High, 1984 Low, Since Completion High, Since Completion Low, and Daily Gains/Losses. Rows include Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30 1983 based on Thursday July 13 1984. Rows include Insurance Brokers, Tobacco, Newspapers, etc.

OPTIONS

Table with columns for First Dealings, Last Dealings, Last Declared, For Settlement, For Arrangement, Energy, Atlantic Resources, Sound Diffusion, etc.

RECENT ISSUES

Table with columns for Issue Price, Amount, Date, 1984 High, 1984 Low, Stock, and various other metrics.

FIXED INTEREST STOCKS

Table with columns for Issue Price, Amount, Date, 1984 High, 1984 Low, Stock, and various other metrics.

"RIGHTS" OFFERS

Table with columns for Issue Price, Amount, Date, 1984 High, 1984 Low, Stock, and various other metrics.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Large table with columns for EQUITY GROUPS & SUB-SECTIONS, Fri July 13 1984, and various performance metrics.

FIXED INTEREST

Table with columns for PRICE INDICES, Fri July 13, and various performance metrics.

BRITISH GOVERNMENT INDEX-LINKED STOCKS

Table with columns for Equity section or group, Rate date, Base value, and various performance metrics.

NEW HIGHS AND LOWS FOR 1984

Table with columns for NEW HIGHS (6), NEW LOWS (163), and various stock categories.

RISES AND FALLS

Table with columns for Rises, Falls, Same, and various stock categories.

ACTIVE STOCKS

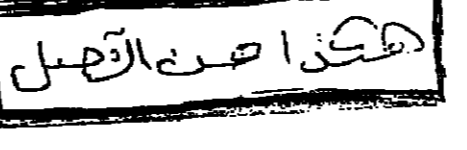
Table with columns for Stock, Closing price, Day's change, and various stock categories.

THURSDAY'S ACTIVE STOCKS

Table with columns for No. of Wed. changes, No. of Thurs. changes, and various stock categories.

5-DAY ACTIVE STOCKS

Table with columns for No. of Thurs. changes, No. of Fri. changes, and various stock categories.



STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from the Stock Exchange Official List and should not be reproduced without permission.
Details relate to those securities not included in the FT Share Information Service.
Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 30 hours up to 5.30 pm on Thursday and settled through the Stock Exchange Settlement system.

STEERING ISSUES BY FOREIGN GOVERNMENTS

Amber Day 100pc 1989-2002 £1 75 (117)
Australia 100pc 1989-2002 £1 75 (117)
Belgium 100pc 1989-2002 £1 75 (117)
Canada 100pc 1989-2002 £1 75 (117)
France 100pc 1989-2002 £1 75 (117)
Germany 100pc 1989-2002 £1 75 (117)
Italy 100pc 1989-2002 £1 75 (117)
Japan 100pc 1989-2002 £1 75 (117)
Netherlands 100pc 1989-2002 £1 75 (117)
Portugal 100pc 1989-2002 £1 75 (117)
Spain 100pc 1989-2002 £1 75 (117)
Sweden 100pc 1989-2002 £1 75 (117)
Switzerland 100pc 1989-2002 £1 75 (117)
USA 100pc 1989-2002 £1 75 (117)

CORPORATION AND COUNTY

London County 21pc 1982-91 (107)
Greater London Council 21pc 1982-91 (107)
London County 21pc 1982-91 (107)
Greater London Council 21pc 1982-91 (107)

UK PUBLIC BONDS

Financial Markets 100pc 1989-91 £1 75 (117)
Treasury 100pc 1989-91 £1 75 (117)
Local Government 100pc 1989-91 £1 75 (117)
Mortgage 100pc 1989-91 £1 75 (117)

COMMONWEALTH GOVT.

South African 100pc 1989-91 £1 75 (117)
New Zealand 100pc 1989-91 £1 75 (117)
Kenya 100pc 1989-91 £1 75 (117)
Tanzania 100pc 1989-91 £1 75 (117)
Zimbabwe 100pc 1989-91 £1 75 (117)

FOREIGN STOCKS (coupons payable London)

China 100pc 1989-91 £1 75 (117)
India 100pc 1989-91 £1 75 (117)
Japan 100pc 1989-91 £1 75 (117)
Hong Kong 100pc 1989-91 £1 75 (117)
Singapore 100pc 1989-91 £1 75 (117)

CORPORATIONS-FOREIGN

Hydro-Camp 12.75pc 2020 £235 (235)
Norsk 100pc 1989-91 £1 75 (117)
Swedish 100pc 1989-91 £1 75 (117)
Danish 100pc 1989-91 £1 75 (117)

BANKS, DISCOUNT

Allied Irish 100pc 1989-91 £1 75 (117)
Bank of Ireland 100pc 1989-91 £1 75 (117)
Dublin City 100pc 1989-91 £1 75 (117)
Ulster 100pc 1989-91 £1 75 (117)

BREWERIES

Allied-Lyons 100pc 1989-91 £1 75 (117)
Beck's 100pc 1989-91 £1 75 (117)
Carlsberg 100pc 1989-91 £1 75 (117)
Tottenham 100pc 1989-91 £1 75 (117)

COMMERCIAL, INDUSTRIAL A-B

AC Cap 100pc 1989-91 £1 75 (117)
Advance 100pc 1989-91 £1 75 (117)
Advanced Services 100pc 1989-91 £1 75 (117)
Agricultural 100pc 1989-91 £1 75 (117)

Easton Finance

Easton Finance 100pc 1989-91 £1 75 (117)
Easton Finance 100pc 1989-91 £1 75 (117)
Easton Finance 100pc 1989-91 £1 75 (117)

General

General 100pc 1989-91 £1 75 (117)
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General 100pc 1989-91 £1 75 (117)

Industrial

Industrial 100pc 1989-91 £1 75 (117)
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International

International 100pc 1989-91 £1 75 (117)
International 100pc 1989-91 £1 75 (117)
International 100pc 1989-91 £1 75 (117)

Local

Local 100pc 1989-91 £1 75 (117)
Local 100pc 1989-91 £1 75 (117)
Local 100pc 1989-91 £1 75 (117)

Medium

Medium 100pc 1989-91 £1 75 (117)
Medium 100pc 1989-91 £1 75 (117)
Medium 100pc 1989-91 £1 75 (117)

Large

Large 100pc 1989-91 £1 75 (117)
Large 100pc 1989-91 £1 75 (117)
Large 100pc 1989-91 £1 75 (117)

Very Large

Very Large 100pc 1989-91 £1 75 (117)
Very Large 100pc 1989-91 £1 75 (117)
Very Large 100pc 1989-91 £1 75 (117)

Foreign

Foreign 100pc 1989-91 £1 75 (117)
Foreign 100pc 1989-91 £1 75 (117)
Foreign 100pc 1989-91 £1 75 (117)

Investment

Investment 100pc 1989-91 £1 75 (117)
Investment 100pc 1989-91 £1 75 (117)
Investment 100pc 1989-91 £1 75 (117)

Miscellaneous

Miscellaneous 100pc 1989-91 £1 75 (117)
Miscellaneous 100pc 1989-91 £1 75 (117)
Miscellaneous 100pc 1989-91 £1 75 (117)

Other

Other 100pc 1989-91 £1 75 (117)
Other 100pc 1989-91 £1 75 (117)
Other 100pc 1989-91 £1 75 (117)

Utilities

Utilities 100pc 1989-91 £1 75 (117)
Utilities 100pc 1989-91 £1 75 (117)
Utilities 100pc 1989-91 £1 75 (117)

Government

Government 100pc 1989-91 £1 75 (117)
Government 100pc 1989-91 £1 75 (117)
Government 100pc 1989-91 £1 75 (117)

Corporate

Corporate 100pc 1989-91 £1 75 (117)
Corporate 100pc 1989-91 £1 75 (117)
Corporate 100pc 1989-91 £1 75 (117)

Special

Special 100pc 1989-91 £1 75 (117)
Special 100pc 1989-91 £1 75 (117)
Special 100pc 1989-91 £1 75 (117)

WATERWORKS

Waterworks 100pc 1989-91 £1 75 (117)
Waterworks 100pc 1989-91 £1 75 (117)
Waterworks 100pc 1989-91 £1 75 (117)

UNLISTED SECURITIES

Unlisted Securities 100pc 1989-91 £1 75 (117)
Unlisted Securities 100pc 1989-91 £1 75 (117)
Unlisted Securities 100pc 1989-91 £1 75 (117)

PROPERTY

Property 100pc 1989-91 £1 75 (117)
Property 100pc 1989-91 £1 75 (117)
Property 100pc 1989-91 £1 75 (117)

RULE 163 (4) (a)

Rule 163 (4) (a) 100pc 1989-91 £1 75 (117)
Rule 163 (4) (a) 100pc 1989-91 £1 75 (117)

RULE 163 (2)

Rule 163 (2) 100pc 1989-91 £1 75 (117)
Rule 163 (2) 100pc 1989-91 £1 75 (117)

RULE 163 (3)

Rule 163 (3) 100pc 1989-91 £1 75 (117)
Rule 163 (3) 100pc 1989-91 £1 75 (117)

Option	CALLS	Aug.		Sep.		Oct.		
100	CALLS	420	25	38	47	4	12	17
450	CALLS	460	5	40	28	27	40	30
850	CALLS	500	14	48	38	45	88	88
1250	CALLS	540	23	56	46	55	104	94
1650	CALLS	580	32	64	54	63	120	110
2050	CALLS	620	41	72	62	71	136	126
2450	CALLS	660	50	80	70	79	152	142
2850	CALLS	700	59	88	78	87	168	158
3250	CALLS	740	68	96	86	95	184	174
3650	CALLS	780	77	104	94	103	200	190
4050	CALLS	820	86	112	102	111	216	206
4450	CALLS	860	95	120	110	119	232	222
4850	CALLS	900	104	128	118	127	248	238
5250	CALLS	940	113	136	126	135	264	254
5650	CALLS	980	122	144	134	143	280	270
6050	CALLS	1020	131	152	142	151	296	286
6450	CALLS	1060	140	160	150	159	312	302
6850	CALLS	1100	149	168	158	167	328	318
7250	CALLS	1140	158	176	166	175	344	334
7650	CALLS	1180	167	184	174	183	360	350
8050	CALLS	1220	176	192	182	191	376	360
8450	CALLS	1260	185	200	190	199	392	376
8850	CALLS	1300	194	208	198	207	408	392
9250	CALLS	1340	203	216	206	215	424	408
9650	CALLS	1380	212	224	214	223	440	424
10050	CALLS	1420	221	232	222	231	456	440
10450	CALLS	1460	230	240	230	239	472	456
10850	CALLS	1500	239	248	238	247	488	472
11250	CALLS	1540	248	256	246	255	504	488
11650	CALLS	1580	257	264	254	263	520	504
12050	CALLS	1620	266	272	262	271	536	520
12450	CALLS	1660	275	280	270	279	552	536
12850	CALLS	1700	284	288	278	287	568	552
13250	CALLS	1740	293	296	286	295	584	568
13650	CALLS	1780	302	304	294	303	600	584
14050	CALLS	1820	311	312	302	311	616	600
14450	CALLS	1860	320	320	310	319	632	616
14850	CALLS	1900	329	328	318	327	648	632
15250	CALLS	1940	338	336	326	335	664	648
15650	CALLS	1980	347	344	334	343	680	664
16050	CALLS	2020	356	352	342	351	696	680
16450	CALLS	2060	365	360	350	359	712	696
16850	CALLS	2100	374	368	358	367	728	712
17250	CALLS	2140	383	376	366	375	744	728
17650	CALLS	2180	392	384	374	383	760	744
18050	CALLS	2220	401	392	382	391	776	760
18450	CALLS	2260	410	400	390	399	792	776
18850	CALLS	2300	419	408	398	407	808	792
19250	CALLS	2340	428	416	406	415	824	808
19650	CALLS	2380	437	424	414	423	840	824
20050	CALLS	2420	446	432	422	431	856	840
20450	CALLS	2460	455	440	430	439	872	856
20850	CALLS	2500	464	448	438	447	888	872
21250	CALLS	2540	473	456	446	455	904	888
21650	CALLS	2580	482	464	454	463	920	904
22050	CALLS	2620	491	472	462	471	936	920
22450	CALLS	2660	500	480	470	479	952	936
22850	CALLS	2700	509	488	478	487	968	952
23250	CALLS	2740	518	496	486	495	984	968
23650	CALLS	2780	527	504	494	503	1000	984
24050	CALLS	2820	536	512	502	511	1016	1000
24450	CALLS	2860	545	520	510	519	1032	1016
24850	CALLS	2900	554	528	518	527	1048	1032
25250	CALLS	2940	563	536	526	535	1064	1048
25650	CALLS	2980	572	544	534	543	1080	1064
26050	CALLS	3020	581	552	542	551	1096	1080
26450	CALLS	3060	590	560	550	559	1112	1096
26850	CALLS	3100	599	568	558	567	1128	1112
27250	CALLS	3140	608	576	566	575	1144	1128
27650	CALLS	3180	617	584	574	583	1160	1144
28050	CALLS	3220	626	592	582	591	1176	1160
28450	CALLS	3260	635	600	590	599	1192	1176
28850	CALLS	3300	644	608	598	607	1208	1192
29250	CALLS	3340	653	616	606	615	1224	1208
29650	CALLS	3380	662	624	614	623	1240	1224
30050	CALLS	3420	671	632	622	631	1256	1240
30450	CALLS	3460	680	640	630	639	1272	1256
30850	CALLS	3500	689	648	638	647	1288	1272
31250	CALLS	3540	698	656	646	655	1304	1288
31650	CALLS	3580	707	664	654	663	1320	1304
32050	CALLS	3620	716	672	662	671	1336	1320
32450	CALLS	3660	725	680	670	679	1352	1336
32850	CALLS	3700	734	688	678	687	1368	1352
33250	CALLS	3740	743	696	686	695	1384	1368
33650	CALLS	3780	752	704	694	703	1400	1384
34050	CALLS	3820	761	712	702	711	1416	1400
34450	CALLS	3860	770	720	710	719	1432	1416
34850	CALLS	3900	779	728	718	727	1448	1432
35250	CALLS	3940	788	736	726	735	1464	1448
35650	CALLS	3980	797	744	734	743	1480	1464
36050	CALLS	4020	806	752	742	751	1496	1480
36450	CALLS	4060	815	760	750	759	1512	1496
36850	CALLS	4100	824	768	758	767	1528	1512
37250	CALLS	4140	833	776	766	775	1544	1528
37650	CALLS	4180	842	784	774	783	1560	1544
38050	CALLS	4220	851	792	782	791	1576	1560
38450	CALLS	4260	860	800	790	799	1592	1576
38850	CALLS	4300	869	808	798	807	1608	1592
39250	CALLS	4340	878	816	806	815	1624	1608
39650	CALLS	4380						

AUTHORISED UNIT TRUSTS

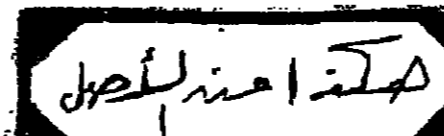
Table listing various unit trusts such as British Group, Abbey Unit Tr. Mgrs., High Income, and others, with columns for fund names and values.

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing numerous unit trusts like Lloyds Bank Unit Tr. Mgrs., Legal & General, and others, with columns for fund names and values.

Table listing various insurance and financial services, including City of Westminster Assurance, General Portfolio Life, and others, with columns for company names and values.

This space... In addition to the advertising spaces available on the 'Your Savings and Investments' pages we are now able to offer a further opportunity to reach unit trust investors. For a limited period only this space on the 'FT Unit Trust Information Service' page will be available to advertisers. For further information please contact Nigel Pullman, Bracken House, 10 Cannon Street, London EC4P 4BY Tel. (01) 248 8000



INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and investment products, including Liberty Life Assurance Co Ltd, National Provident Institution, and others, with columns for company name, address, and financial details.

Table listing insurance and investment products, including Sava & Prosper Group, Target Life Assurance Co Ltd, and others, with columns for company name, address, and financial details.

Table listing insurance and investment products, including GAI Investments (IOM) Ltd, Grand Overseas (IOM) Ltd, and others, with columns for company name, address, and financial details.

Table listing insurance and investment products, including Marlowe Midland (CI) Ltd, Midland Bank Trust Corp. (Jersey) Ltd, and others, with columns for company name, address, and financial details.

Table listing insurance and investment products, including Strathfield Management Limited, TSB Trust Funds (CI) Ltd, and others, with columns for company name, address, and financial details.

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

NOTES

Espley Trust plc
- broadly based
for growth
London-Leeds-Birmingham
021-454 9881

FT LONDON SHARE INFORMATION SERVICE

AMERICANS

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
140.00	120.00	Abbott Lab	128.00	2.9	2.3	12.5
150.00	130.00	Alcoa	138.00	1.4	3.8	12.5
120.00	100.00	Alcoa 1985	115.00	1.5	3.8	12.5
120.00	100.00	Alcoa 1986	115.00	1.5	3.8	12.5
120.00	100.00	Alcoa 1987	115.00	1.5	3.8	12.5
120.00	100.00	Alcoa 1988	115.00	1.5	3.8	12.5
120.00	100.00	Alcoa 1989	115.00	1.5	3.8	12.5
120.00	100.00	Alcoa 1990	115.00	1.5	3.8	12.5
120.00	100.00	Alcoa 1991	115.00	1.5	3.8	12.5
120.00	100.00	Alcoa 1992	115.00	1.5	3.8	12.5

BEERS, WINES - Cont.

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
210.00	190.00	Carlsberg	205.00	-2.4	4.5	12.5
210.00	190.00	Heineken	205.00	-2.4	4.5	12.5
210.00	190.00	Kaiser	205.00	-2.4	4.5	12.5
210.00	190.00	Miller	205.00	-2.4	4.5	12.5
210.00	190.00	Stout	205.00	-2.4	4.5	12.5
210.00	190.00	Windsor	205.00	-2.4	4.5	12.5

BUILDING INDUSTRY, TIMBER AND ROADS

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
180.00	160.00	AMEC	175.00	-2.8	4.5	12.5
180.00	160.00	AMEC 1985	175.00	-2.8	4.5	12.5
180.00	160.00	AMEC 1986	175.00	-2.8	4.5	12.5
180.00	160.00	AMEC 1987	175.00	-2.8	4.5	12.5
180.00	160.00	AMEC 1988	175.00	-2.8	4.5	12.5
180.00	160.00	AMEC 1989	175.00	-2.8	4.5	12.5
180.00	160.00	AMEC 1990	175.00	-2.8	4.5	12.5
180.00	160.00	AMEC 1991	175.00	-2.8	4.5	12.5
180.00	160.00	AMEC 1992	175.00	-2.8	4.5	12.5

DRAPERY & STORES - Cont.

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
30.00	25.00	Debenhams	28.00	-7.1	0.0	12.5
30.00	25.00	Debenhams 1985	28.00	-7.1	0.0	12.5
30.00	25.00	Debenhams 1986	28.00	-7.1	0.0	12.5
30.00	25.00	Debenhams 1987	28.00	-7.1	0.0	12.5
30.00	25.00	Debenhams 1988	28.00	-7.1	0.0	12.5
30.00	25.00	Debenhams 1989	28.00	-7.1	0.0	12.5
30.00	25.00	Debenhams 1990	28.00	-7.1	0.0	12.5
30.00	25.00	Debenhams 1991	28.00	-7.1	0.0	12.5
30.00	25.00	Debenhams 1992	28.00	-7.1	0.0	12.5

ENGINEERING - Continued

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
100.00	80.00	Babcock	85.00	-15.0	0.0	12.5
100.00	80.00	Babcock 1985	85.00	-15.0	0.0	12.5
100.00	80.00	Babcock 1986	85.00	-15.0	0.0	12.5
100.00	80.00	Babcock 1987	85.00	-15.0	0.0	12.5
100.00	80.00	Babcock 1988	85.00	-15.0	0.0	12.5
100.00	80.00	Babcock 1989	85.00	-15.0	0.0	12.5
100.00	80.00	Babcock 1990	85.00	-15.0	0.0	12.5
100.00	80.00	Babcock 1991	85.00	-15.0	0.0	12.5
100.00	80.00	Babcock 1992	85.00	-15.0	0.0	12.5

HOTELS - Continued

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
200.00	180.00	Adlon	195.00	-2.5	0.0	12.5
200.00	180.00	Adlon 1985	195.00	-2.5	0.0	12.5
200.00	180.00	Adlon 1986	195.00	-2.5	0.0	12.5
200.00	180.00	Adlon 1987	195.00	-2.5	0.0	12.5
200.00	180.00	Adlon 1988	195.00	-2.5	0.0	12.5
200.00	180.00	Adlon 1989	195.00	-2.5	0.0	12.5
200.00	180.00	Adlon 1990	195.00	-2.5	0.0	12.5
200.00	180.00	Adlon 1991	195.00	-2.5	0.0	12.5
200.00	180.00	Adlon 1992	195.00	-2.5	0.0	12.5

INDUSTRIALS (Miscel.)

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
100.00	80.00	AGA AB	85.00	-15.0	0.0	12.5
100.00	80.00	AGA AB 1985	85.00	-15.0	0.0	12.5
100.00	80.00	AGA AB 1986	85.00	-15.0	0.0	12.5
100.00	80.00	AGA AB 1987	85.00	-15.0	0.0	12.5
100.00	80.00	AGA AB 1988	85.00	-15.0	0.0	12.5
100.00	80.00	AGA AB 1989	85.00	-15.0	0.0	12.5
100.00	80.00	AGA AB 1990	85.00	-15.0	0.0	12.5
100.00	80.00	AGA AB 1991	85.00	-15.0	0.0	12.5
100.00	80.00	AGA AB 1992	85.00	-15.0	0.0	12.5

BRITISH FUNDS

Stock	Price	% Chg	Div Yld	PE
Shorts (Lives up to Five Years)	100.00	-	-	-
Five to Fifteen Years	100.00	-	-	-
Over Fifteen Years	100.00	-	-	-
Undated	100.00	-	-	-
Index-Linked	100.00	-	-	-

Five to Fifteen Years

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
100.00	80.00	AGF 100	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 100 1985	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 100 1986	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 100 1987	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 100 1988	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 100 1989	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 100 1990	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 100 1991	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 100 1992	85.00	-15.0	0.0	12.5

Over Fifteen Years

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
100.00	80.00	AGF 150	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 150 1985	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 150 1986	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 150 1987	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 150 1988	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 150 1989	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 150 1990	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 150 1991	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 150 1992	85.00	-15.0	0.0	12.5

Undated

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
100.00	80.00	AGF 200	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 200 1985	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 200 1986	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 200 1987	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 200 1988	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 200 1989	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 200 1990	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 200 1991	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 200 1992	85.00	-15.0	0.0	12.5

Index-Linked

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
100.00	80.00	AGF 300	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 300 1985	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 300 1986	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 300 1987	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 300 1988	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 300 1989	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 300 1990	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 300 1991	85.00	-15.0	0.0	12.5
100.00	80.00	AGF 300 1992	85.00	-15.0	0.0	12.5

CANADIANS

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
100.00	80.00	IMC	85.00	-15.0	0.0	12.5
100.00	80.00	IMC 1985	85.00	-15.0	0.0	12.5
100.00	80.00	IMC 1986	85.00	-15.0	0.0	12.5
100.00	80.00	IMC 1987	85.00	-15.0	0.0	12.5
100.00	80.00	IMC 1988	85.00	-15.0	0.0	12.5
100.00	80.00	IMC 1989	85.00	-15.0	0.0	12.5
100.00	80.00	IMC 1990	85.00	-15.0	0.0	12.5
100.00	80.00	IMC 1991	85.00	-15.0	0.0	12.5
100.00	80.00	IMC 1992	85.00	-15.0	0.0	12.5

BANKS, HP & LEASING

1984 High	1984 Low	Stock	Price	% Chg	Div Yld	PE
100.00	80.00	ANZ	85.00	-15.0	0.0	12.5
100.00	80.00	ANZ 1985	85.00	-15.0	0.0	12.5
100.00	80.00	ANZ 1986	85.00	-15.0	0.0	12.5
100.00	80.00	ANZ 1987	85.00	-15.0	0.0	12.5
100.00	80.00	ANZ 1988	85.00	-15.0	0.0	12.5
100.00	80.00	ANZ 1989	85.00	-15.0	0.0	12.5
100.00	80.00	ANZ 1990	85.00	-15.0	0.0	12.5
100.00	80.00	ANZ 1991	85.00	-15.0	0.0	12.5
100.00	80.00	ANZ 1992	85.00	-15.0	0.0	12.5

CHEMICALS, PLASTICS

1984 High	1984 Low	Stock	Price
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INDUSTRIALS-Continued

Table of stock prices for various industrial companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include Alcoa, Aluminum, and various steel and metal producers.

LEISURE-Continued

Table of stock prices for leisure-related companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include amusement parks, travel agencies, and entertainment venues.

PROPERTY-Continued

Table of stock prices for property and real estate companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include real estate developers and property management firms.

INVESTMENT TRUSTS-Cont.

Table of stock prices for investment trusts. Columns include High, Low, Stock, Price, and % Change. Various trusts are listed, including those focused on technology, healthcare, and general investment.

OIL AND GAS-Continued

Table of stock prices for oil and gas companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include major oil producers and refiners.

MINES-Continued

Table of stock prices for mining companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include gold, silver, and copper miners.

MOTORS, AIRCRAFT TRADES

Table of stock prices for motor and aircraft trade companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include automotive parts suppliers and aircraft manufacturers.

Commercial Vehicles

Table of stock prices for commercial vehicle companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include manufacturers of trucks and vans.

SHIPPING

Table of stock prices for shipping companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include major shipping lines and logistics providers.

SHOES AND LEATHER

Table of stock prices for shoes and leather companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include footwear manufacturers and leather goods producers.

SOUTH AFRICANS

Table of stock prices for South African companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include various South African industrial and service firms.

Australians

Table of stock prices for Australian companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include various Australian industrial and service firms.

NEWSPAPERS, PUBLISHERS

Table of stock prices for newspaper and publishing companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include major newspaper publishers.

PAPER, PRINTING

Table of stock prices for paper and printing companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include paper mills and printing houses.

TEXTILES

Table of stock prices for textile companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include textile manufacturers.

TOBACCO

Table of stock prices for tobacco companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include major tobacco producers.

PLANTATIONS

Table of stock prices for plantation companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include rubber and palm oil plantations.

OVERSEAS TRADERS

Table of stock prices for overseas trading companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include international trading firms.

INSURANCES

Table of stock prices for insurance companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include major insurance providers.

PROPERTY

Table of stock prices for property companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include real estate and property management firms.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include various financial and land-related firms.

INVESTMENT TRUSTS

Table of stock prices for investment trusts. Columns include High, Low, Stock, Price, and % Change. Various trusts are listed, including those focused on technology, healthcare, and general investment.

OIL AND GAS

Table of stock prices for oil and gas companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include major oil producers and refiners.

MISCELLANEOUS

Table of stock prices for miscellaneous companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include various other industrial and service firms.

NOTES

Notes section containing various financial notices, company announcements, and market commentary. It includes information about dividends, share issues, and other corporate events.

LEISURE

Table of stock prices for leisure companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include amusement parks, travel agencies, and entertainment venues.

PROPERTY

Table of stock prices for property companies. Columns include High, Low, Stock, Price, and % Change. Companies listed include real estate and property management firms.

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WOMEN IN THE NEWS

Old ideas with a new face

BY STEWART FLEMING

"HIGH NOON at Gender Gap" was how one political analyst characterised the presidential election battle now looming as a result of Mr Walter Mondale's decision to propose as his democratic vice-presidential running mate a New York Congresswoman, 48-year-old Geraldine Ferraro.

It is a description which nicely sums up one thread of the political rationale behind Mr Mondale's choice—the attempt to exploit the aging weakness Reagan's perceived weakness among women voters.

The number of firms which 21s Ferraro can claim to her credit assuming next week's Democratic Party convention is expected, selects the Mondale/Ferraro combination will not be limited to the fact that she



Geraldine Ferraro

is a woman, one of whose duties will be to try to expose the fragility of Mr Reagan's support among women voters. She is also the first Italian-American ever to be on a major party's ticket.

But perhaps the most important first is that she will be the first vice-presidential candidate consciously selected to rescue a presidential campaign from the torpor and tedium which it was feared was likely to overwhelm Mr Mondale's candidacy when the stiff former vice-President finally came face to face with the charisma and communicating skills which President Reagan commands.

Mr Mondale himself and his campaign aids have implicitly acknowledged this, constantly referring to the excitement which they hope the selection of Ms Ferraro will generate. "This is an exciting choice. I want to build a future," Mr Mondale said in announcing the decision.

Even for the tough and forthright Ms Ferraro it was a pretty tough order. Vice-presidential candidates are usually chosen to secure a political base, to carry their state or their region as, for example Lyndon Johnson did for John F. Kennedy in 1960, not to run nationally to give a campaign "pizzazz".

President Reagan's campaign advisers, when they have finished attacking Ms Ferraro for her inexperience in comparison with Vice-President George Bush, will also be trying to figure out how to make sure that she does not successfully command the national stage. She is already showing signs in her confident television appearances and forceful manner, that she may indeed have the capacity to become a national political figure.

In the complex matrix which shapes the process of political coalition building in a large and diverse country like the United States Ms Ferraro can be fitted into more than the relatively youthful feminist category however.

In regional terms her selection suggests that the white protestant mid westerner Mondale, in choosing a white catholic emigrant from a predominantly white working class district of New York, has decided that the foundation of his campaign must be laid amongst traditional, blue collar Democratic voters in the industrial Northeast and Midwest. Many of these voters turned out for President Reagan in 1980 and were they to do so in such numbers again Mr Mondale would have no chance in November whatsoever.

That of course means that the party will have serious difficulties in the West and hard sledding in the South. It leaves Mr Mondale with the continuing challenge of reconciling the traditional Democrats in the Jewish and black communities who have been divided by positions taken by Rev Jesse Jackson and Rev Jackson's well-known Ms Ferraro's selection on a question mark still hangs over his commitment to the

MacGregor to renew letter appeal

BY JOHN LLOYD, INDUSTRIAL EDITOR

MR IAN MACGREGOR, the National Coal Board chairman, is to write again to the country's 180,000 mineworkers urging them to accept settlement on the terms put to the National Union of Mineworkers' leaders in the last round of talks between the two sides.

Mr MacGregor's letter will stress that the Board has been prepared to make significant concessions to the union, and that the two sides are not very far apart.

The talks are due to resume on Wednesday, when discussions will restart on the three main issues dividing the two sides. The NUM insists that the closure programme proposed by the Board on March

6 be withdrawn; that five pits scheduled for closure be kept open; and that pits should be closed only because of exhaustion or geological difficulties, or when only very small reserves are left.

The Board has said it will "re-examine" its closure plans, give further consideration to the five pits, and will deem pits to be exhausted where reserves cannot be "beneficially developed."

Mr Arthur Scargill, the NUM president, underscored the hard line evident in the union's special conference in Sheffield earlier this week when he addressed a rally at Manchester during a "day of action" yesterday in support of the miners

level on coal and coke deliveries to BSC's Port Talbot and Llanwern steel works to keep the both secure and in good working order.

The call came as tug boat men serving Swansea and Port Talbot voted to join the dock strike, so increasing the threat to deliveries of imported iron ore to Port Talbot's deep water harbour.

The tug boat men's action will have no immediate impact, since Port Talbot's harbour is closed for the next fortnight for maintenance work. But with registered dockers at Port Talbot already on strike, raw material deliveries to South Wales steel plants could soon dry up, if the docks strike persists.

Robin Reeves writes from Cardiff: Leaders of the Transport and General Workers Union and National Union of Mineworkers in South Wales issued a joint statement yesterday calling on steel unions to start fresh talks at national

Docks strike hits Felixstowe and Dover

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE DOCKS STRIKE spread to Felixstowe and Dover yesterday as hopes of a successful peace talks rose following agreement on the issue which sparked off the stoppage.

Dockers at the Suffolk container port of Felixstowe, one of the largest ports not covered by the dock labour scheme at the heart of the national strike, were due to stop work from midnight following a mass meeting.

Passenger ferries operated by Townsend Thoresen will continue to operate from the port, but will not carry freight.

Some dockers resented being denied a vote on the strike. Instead, they were instructed to strike by officials of the Trans-

port and General Workers' Union.

In Dover, another port not covered by the scheme, which handles about 1,000 lorries every day, dockers voted to strike from mid-day on Monday—though there will be a dispensation for passenger services.

Freight services will also be affected by a separate dispute, the National Union of Seamen's opposition to the planned privatisation of British Rail's Sealink ferry subsidiary. NUS members banned the handling of all freight on Sealink ships from midnight.

Sealink hoped that ships on its Dover-Ostend and Dover-Dunkirk runs, operated by the

Belgians and the French respectively, would be unaffected.

Yesterday, however, the executive committee of the National Union of Railwaymen, which represents ramp and docking workers employed by Sealink, voted to instruct members to support the NUS action.

If NUR men refuse to cross picket lines, this could also hit the Isle of Wight ferry, which is manned by NUR members. Mr Jimmy Knapp, NUR general secretary, said the union was "deeply concerned" at the proposals to privatise Sealink.

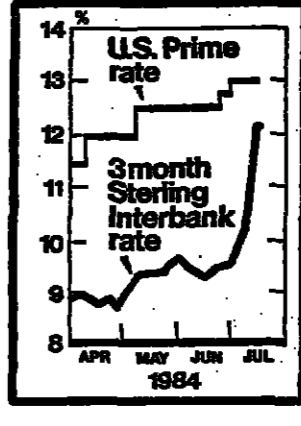
Talks in London to try to end the strike were going on last night between the TGWU and the National Association of

THE LEX COLUMN

Caught in Uncle Sam's shadow

So far as the London equity market was concerned, this week had all the fingerprints of an old-fashioned sterling crisis; perhaps the only missing ingredient was the spectacle of a Chancellor turning back in dismay from Heathrow airport.

Index fell 0.4 to 770.7



When the banks shifted their base rates for the second time in a week it was only a matter of time before the building societies decided to leap-frog, and as far as the stock market was concerned 12 1/2 per cent mortgage rates spelled out the end of the consumer recovery.

In the circumstances, surrounded by industrial disputes and with the exchange rate brought back under control only at the price of a drastic rise in the cost of credit, the equity market was sober enough in its reactions—although consumer sectors inevitably took a caning. And for gilt-edged investors the movement in base rates, however unwelcome in its effect on the inflation index, at least had the effect of lifting yields to a level where they could think about buying in anticipation of the next decline.

However, any slight sense of relief at the end of the week probably stemmed more from a brightening of the sky over the Federal Reserves building in Washington. For the ever-growing overvaluation of the dollar—the other side of a devalued sterling—had in part resulted from rising yields in the New York bond market; and this trend was halted on Thursday and Friday by a whole string of encouraging U.S. statistics. It was beyond even a battle-scarred London market to ignore entirely the sight of rising bond prices on Wall Street.

monetary slackness has raised the question whether the Fed has really been tightening the monetary regime at all, except by passively accepting the rise in rates caused by the clash of public and private demand for credit. Simon and Coates has indeed deduced that the Fed has switched away from targeting interest rates, and avoided genuinely tightening the system since March. If this is so, the pressure to be expected from U.S. interest rates may be less severe in the months ahead than it seemed this week.

offer, Midland will be left with 100 per cent voting control of a subsidiary whose external funding costs include preferred stock dividends to set beside bond interest payments and the rest. The group's consolidated balance sheet will be altered not a jot in terms of critical ratios; the capital base will have minority interests reduced and preferred stock or shareholders' equity increased by equal amounts. Aside from expenses, the reconstruction involves no cash and the preferred dividend payments will be accounted as minority interest, thus having no effect on consolidated pre-tax profits. Would the same could be said of all the Crocker problems.

LOFs

In any business other than shipping, a company in the condition of London and Overseas Freighters (LOFs) would surely have long since drowned. But though it is certainly on the ocean floor, LOFs somehow survives; yesterday there popped to the surface, like a message in a bottle, a polite request to shareholders for more oxygen in the form of an £8.6m rights issue.

The sum requested is rather large in relation to a dreadfully shrunken net asset value of £5.4m, and a £2.1m market capitalisation. Compared to a bottom-line loss in the latest year to March of £12.2m, it looks rather smaller. To be fair, the company evidently has little choice; as the rights issue does not make clear, in the absence of shareholder support the bankers would now propose to confiscate LOFs' diving helmet. For shareholders too, the choice is pretty stark—write off their investment now, or take a highly-geared punt on the chances of the world freight market turning up in the next two years.

Though there are signs of such an upturn, it would not do to get carried away; witness the brevity of the recovery in 1980, during which LOFs's commission on the two vessels which are the main cause of its present submergence. That mistake of gearing up financially to pay for an operationally geared investment is not likely to be repeated. But whether or not shareholders get their money back, it seems unlikely that LOFs can now remain a force in the shipping market.

Midland/Crocker

The boys at the back of the clearers' class who seemed to be having trouble with his tables, has now stepped up to the blackboard to show off his sums—and very ingeniously they look, too.

The problem for Midland Bank vis-a-vis the minority shareholders in Crocker was how to buy their 43 per cent stake in the Californian subsidiary without using cash and without exposing the group to the renewed public scrutiny which would have attended an offer of Midland paper. Exchanging Crocker preferred stock for the outstanding ordinary shares neatly solves this conundrum—and since swapping securities of the same company in the U.S. normally incurs no capital gains tax, it at the same time, presents the minority shareholders with an important tax sweetener as well as a quantum jump in the yield on their Crocker paper. Assuming this is enough to win their acceptance of the

Moscow denounces Bonn's air defence deal with U.S.

BY RUFERT CORNWELL IN BONN

THE SOVIET UNION has intensified its war of words on West Germany with a sharp attack on the new \$2.9bn (£52bn) air defence deal by Bonn with Washington. Yesterday it called the agreement "an extra step in the arms race" which damaged the existing military balance in Europe.

The Soviet criticism of Bonn's purchase of Patriot and Roland missiles to defend U.S. and German bases on its soil was put out by the official news agency Tass.

It came barely 24 hours after the unusual publication of an exchange of strongly-worded notes between Bonn and Moscow over the decision last month by the Western European Union (WEU) to lift the remaining post-war restrictions on West German production of conventional weapons.

The Soviet memorandum was delivered to Bonn on Tuesday, bluntly warned West Germany not to start producing its own strategic aircraft and long-range missiles, as it is now allowed to do. Similar messages were delivered to other western powers.

These complained that the WEU decision violated agreements between the allies of the second world war, and urged West Germany to bear in mind "all these negative consequences" which would arise if it were to take advantage of the decision.

Bonn swiftly pointed out that it had already given repeated assurances that it would not manufacture any of the weapons in question, and it accused the Soviet Union of hypocrisy.

It is not observed that West Germany has given a "clear, absolute and, in contrast to Soviet behaviour, a never-violated pledge to renounce the use of force." The memorandum was also, it is observed, a clear violation of the arms control agreements between the two super-powers.

Just how exceptional the Moscow move was can be gauged from the fact that the note was the first such since normal relations between the Soviet Union and West Germany had been resumed in 1970.

Allied diplomats in Bonn made various interpretations of the tough Soviet line. One is genuine uncertainty on the part of Moscow over how to react to the moves to reactivate the long-dormant WEU as a way of strengthening the European pillar of Nato.

In his own reply to the Soviet Union, Sir Geoffrey Howe, the British Foreign Secretary, pointed out in his reply to the Soviet Union that the lifting of the last arms restrictions on West Germany was simply the removal of a historical anachronism. In fact, many other post-war bans, such as that on the country's building of submarines, have long since been abandoned.

At least as important a motive, diplomats believe, is a Soviet desire to keep up psychological pressure on Bonn, at a time of tension between the two super-powers.

In recent months, Soviet publications have accused West Germany of militarism and a return to Nazism, while the trip to Moscow last month by Herr Hans-Dietrich Genscher, the Foreign Minister, was fruitless.

Moscow wants to play on West German nerves still raw over the controversial deployment of cruise and Pershing missiles in the country last autumn. Implicit, also, observers believe, is a threat to upset the improvement in relations between West and East Germany, of which Bonn has high hopes.

Continued from Page 1

Mortgage rise

● Max Wilkinson writes:

This means that investors will receive a net return of at least 8.75 per cent (12.5 per cent gross) which compares with 8.75 or 9 per cent gross being paid on bank deposits.

Whether these investment premiums will be increased in the longer term will depend on the level of funds societies manage to attract following this latest rise.

Figures published yesterday show that the net inflow in June totalled £630m. This was substantially better than the May level, but Mr Walden said yesterday, "not high enough" to meet the record mortgage demand.

Last month societies made up the shortfall by running down their liquidity, and by raising £200m in the open market.

Mortgage lending in June reached a record monthly figure of £2.25bn, while new commitments were even higher at £2.45bn.

Knitwear plants to close

TWO Lincolnshire knitwear factories are to close in September with the loss of 150 jobs, it was announced yesterday.

The British Textile Manufacturing Company, which also has factories in the Derby and Nottingham areas, is to close its factories at Coningsby and Spilsby due to rising costs and

the need to safeguard jobs elsewhere.

At Coningsby, 90 workers, mostly female, will lose their jobs and a further 80, mostly male, workers will be dismissed at Spilsby. A small number from Spilsby may be offered new jobs at the company's other Lincolnshire factories at Allford.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Trea. 12½	05.08	£108	+ 1
Assoc. Brit. Ports	202	+ 23	
Assoc. Telecom	45	+ 5	
Barroitt Depts.	90	+ 4	
Group Lotus Car	60	+ 4	
Hinton (Amos)	329	+ 15	
Martin (Albert)	92	+ 5	
Ocean Transport	108	+ 5	
Sgt. Bros.	238	+ 10	
Pyke Holdings	350	+ 28	
Rowton Hotel	320	+ 8	
Toy	123	+ 23	
Unigroup	138	+ 5	
Unigroup	34	+ 7	
Woolworth	423	+ 13	

FALLS			
Assoc. Dairies	152	- 4	
Assoc. Newspapers	425	- 15	
Birmingham Quakecast	87½	- 5	
River Siddeley	532	- 6	
ICI	532	- 6	
Lon. O seas. Freight	5½	- 2½	
Oceanics	120	- 30	
Thorn EMI	463	- 10	
Geavor Tin	173	- 10	

WORLDWIDE WEATHER

UK today: Rain at first in West, spreading to all other areas. Generally cool.

Y'day		M'day		Y'day		M'day	
C	F	C	F	C	F	C	F
Algeria	23-24	18-19	64-66	L. Ang.	16	61	50
Algiers	23-24	18-19	64-66	L. Lond.	16	61	50
Amstd.	18-19	64-66	61-62	Madrid	18	64	54
Athens	31-38	88-100	26-30	Málaga	28	82	70
Bahraim	37-38	99-100	26-30	Majorca	28	82	70
Bangkok	27-31	81-88	24-26	Moscow	22	72	60
Belfast	15-19	59-66	18-19	Munich	23	73	61
Bombay	24-31	75-88	21-22	M'chstr.	17	63	51
Buenos Aires	17-21	63-70	19-20	Melbne.	10	50	42
Calcutta	21-27	70-81	21-22	Ms. C.	—	—	—
Cairo	18-24	64-75	18-19	Miami	26	79	67
Cardif	15-19	59-66	18-19	Milan	20	68	58
Chengde	18-24	64-75	18-19	Montreal	20	68	58
Chongch.	18-24	64-75	18-19	Moscow	22	72	60
Cologne	19-24	66-75	19-20	N Delhi	31	88	78
				N York	23	73	63
				Nice	25	77	65
				Osaka	22	72	60
				Oslo	21	70	58
				Paris	20	68	58
				Perth	16	61	50
				Port of Spain	27	81	69
				Rangoon	24	75	63
				Singapore	27	81	69
				Sydney	25	77	65
				Taipei	25	77	65
				Tanabe	25	77	65
				Tientsin	25	77	65
				Tokyo	25	77	65
				Tromsø	18	64	50
				Tunise	20	68	58
				Ulanbaator	25	77	65
				Vancouver	25	77	65
				Vienna	22	72	60
				Warsaw	22	72	60
				Winnipeg	25	77	65

C-Cloudy, F-Fair, Fg-Fog, H-Hail, R-Rain, S-Sunny, Sl-Sleet, St-Snow, T-Thunder.

BA may lose routes

Continued from Page 1

to recommend some deregulation on domestic flights, the expected recommendation is that any airline should be free to fly where and when it wishes, at whatever fares it wishes to charge, subject only to a continuing surveillance of financial and safety factors by the authority.

Lord King, chairman of British Airways, in a message to

Manufacturing output

The rise in mortgage interest rates to 12 1/2 per cent will reduce the amount of cash available for consumer spending, and so put a further brake on the output of consumer goods manufacturers.

The effect of the miners' strike can be seen clearly in the figures for energy output which was 7 1/2 per cent lower in March 1984 than the previous three months.

This in turn depressed the output of all the production industries by 2.3 per cent over the same period.

staff yesterday, continued his campaign against any route re-allocations.

He said in BA News that many independent airlines seeking BA's routes merely wanted them "to fatten up their balance sheets."

They did not wish to compete. Substitution was the name of their game, a manoeuvre which was worthless to the customer.

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